FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 232 *2 December 1982*

ARGENTINA

Bignone Announces Elections for Late 1983 B 1
Press Conference B 1

BOLIVIA

Siles Zuazo Addresses UN General Assembly 30 Nov C 1

BRAZIL

Reportage on President Reagan's Visit, Reaction D 1
Figueiredo Hosts Dinner D 1
Presidents Meet D 2
Antidrug Struggle on Agenda D 2
Saraiva Guerreiro's Comments [FOLHA DE SAO PAULO 1 Dec] D 2
Ludwig on Effects of Visit [JORNAL DO BRASIL 1 Dec] D 3
PMDB Senator's Criticism D 3
Further Criticism D 3
Demonstration in Sao Paulo D 3
Senator Links Visit to IMF Talks [JORNAL DO BRASIL 1 Dec] D 4
Visit Seen as 'Trivial' [FOLHA DE SAO PAULO 1 Dec] D 4
Congress Called Into Session for Election Bill D 5

COLOMBIA

Teachers, Workers Groups Reject Reagan' Visit F 1
Reagan Visit Questioned; Focus on Drugs, Exports [EL ESPECTADOR 28 Nov] F 1
Army Promotes Two Generals to Division Heads F 3

PERU

Ministers Deny Armed Forces-Government Rift [EXPRESO 24 Nov] J 1
U.S. Textiles Surcharge Turn Market to USSR, EEC [EXPRESO 21 Nov] J 1
Belaunde Dedicates Constitutional Court [EL COMERCIO 20 Nov] J 1

MEXICO

De la Madrid Outlines Goals in Inaugural Speech M 1
Government Orders Takeover of Mexicana Airline M 12
Bank of Mexico Becomes Central Credit Institution M 12

PANAMA

Illueca Calls for Unity at UPEB Conference N 1
Remarks Criticized [LA PRENSA 29 Nov] N 4
Paredes Supported by Radio Mia Owner N 5
[MATUTINO 1 Dec]
Torrijos' Sister Attends Mexican Inauguration N 5
[CRITICA 30 Nov]
Briefs: Ambassador to Chile N 5

CENTRAL AMERICA

COSTA RICA

Additional Reportage on Reagan Visit Preparations P 1
Leftwing MRP Criticism P 1
[Managua EL NUEVO DIARIO 27 Nov]
Union Group Calls for Protests [Managua] P 1
Deputy To Deliver Critical Note P 1
Cariari Hotel, Zapote Restricted P 2
Mexico Backing High-Level Meeting With Nicaragua P 3
Talks With Nicaraguan Official on Security Cited P 4
Managua: Meeting 'Significant' P 4

EL SALVADOR

Meaning, Impact of Reagan Visit Assessed P 4
[EL TIEMPO 30 Nov]
Guatemalan President Expected To Visit 2 Dec P 5
Garcia Professes Disinterest in Presidency P 6
[DIARIO LATINO 29 Nov]
Army Forces Cordon Off Guerrilla-Held Areas P 6
[DIARIO LATINO 30 Nov]
Venceremos Reports Withdrawal From La Union P 7
Havana on FMLN Withdrawal P 7
Havana Reports Further Details P 8

GUATEMALA

Rios Montt Visit to El Salvador Confirmed P 8

HONDURAS

Paz Barnica on Border Incident, Reagan Visit P 9
FUP-25 Announces Anti-Reagan Demonstrations P 9
[Managua]

CUBA

Santamaria Meets With Soviet Vice Admiral Q 1
Foreign Trade Vice Minister Arrives in Peru Q 1
Cabrizas Dissatisfied With GATT Meeting Q 1

OTHER COUNTRIES

DOMINICAN REPUBLIC

Student-Police Clashes Continue in Santo Domingo V 1

URUGUAY

Opposition Leader Comments on Election Results V 1

BIGNONE ANNOUNCES ELECTIONS FOR LATE 1983

PY011730 Buenos Aires TELAM in Spanish 1658 GMT 1 Dec 82

[Text] Buenos Aires, 1 Dec (TELAM) -- Argentine President Reynaldo Bignone today announced that the government, together with the armed forces, has decided that elections will be held in 1983, probably during the last quarter.

The chief of state made these remarks at the end of the general meeting of the National Cabinet when he was leaving government house for the Olivos Residence.

General Bignone added that he is in constant contact with the union leaders and that the month in which the elections will be held will be decided in due time.

He made it clear that the day or the days on which the elections will be held have not yet been established because there are different opinions on the subject. The head of state said that while some leaders believe that elections should be simultaneous, that is, they should take place on a single day, others feel that municipal and provincial elections should be held first and national elections called afterwards, within 15 days.

On the demonstration arranged by the Multiparty Group for 16 December in the capital, General Bignone said: "We are following preparations for this act very closely and we hope that it will be as the Multiparty Group says it will be, that is, a peaceful demonstration which will help the process of national institutionalization."

The chief of state added that the stoppage announced by a union sector [General Confederation of Labor, Azopardo faction] for 6 December in no way helps the process we are engaged in. He stated: "We want the institutionalization of the nation to take place in peace and order."

Press Conference

PY012342 Buenos Aires Argentina Televisora Color Network in Spanish 1740 GMT 1 Dec 82

[Press conference granted by President Reynaldo Bignone upon leaving Government House broadcast during "El Show de la Vida" program -- recorded -- in progress]

[Text] I would like to elaborate somewhat on this subject. A few days ago in Posadas I stated that an electoral schedule should basically have, among other things, two conditions: In the first place it should be feasible from a technical point of view and acceptable from a political point of view in order to really yield the best results and consequently to achieve the objectives we are seeking.

From the work carried out and the consultations we have held so far, I can say that, technically speaking, the government is in condition to undertake the commitment of holding elections in 1983. I said that they would probably be held during the last quarter of the year because the fact that it is technically feasible shows that there are a number of steps which must be taken beforehand and which should be completed by that date. But then we have to consider the other aspect; that it should be acceptable from the political point of view. In this regard we are only going to disclose the year and not the month and the date for elections. From the talks which we have held, and continue to hold, with the interior minister and all the national political leadership, we have learned that there is almost a total consensus that the elections should be held in 1983.

Some political leaders have mentioned that the last quarter in 1983 would be a good time for elections and others have mentioned the second half of 1983 as an acceptable time from the political point of view. As you can see there is a point of agreement here because the last quarter of the year naturally belongs to the second half of the year. Others, however, have suggested July 1983 as a suitable time, therefore you can see we are still in 1983. Others have said that the time for elections is something which they are not too concerned about and we have only had a few political leaders, of parties which have still not been established nationally, who have suggested that some steps of the electoral process should still be scheduled for early 1984.

Therefore, as I have stated regarding the electoral year, it could be said that there is a general consensus within the Argentine policial leadership that the call for elections and the holding of elections, at all levels, should be in 1983.

[Question] ...[president interrupts]

[Answer] Sorry I am being so expansive, but I believe it necessary on these subjects.

Now then, regarding the month for elections, we find that the general consensus no longer prevails on this subject. There are still a few varying opinons in this regard and consequently the government still does not want to commit itself to naming a month for the elections. However the government believes that it will be able to establish an electoral month with the same or similar consensus as the electoral year.

Athough it may seem a simple matter to set an election date, so that we may have a firm date, month and year, it is the most difficult matter to settle. And why do I maintain that setting the date is so complicated? Because we have found that basically there are two positions, among others. Both positions are backed by the very sound arguments and are emphatically sustained. One position maintains that all elections, that is, municipal, provincial and national elections must be held simultaneously on the same day. I repeat that this position is backed by sound arguments and is emphatically sustained. The other positon is that the municipal, provincial and national elections should be held separately, even within the short time span of 15 days. This position is also upheld by sound arguments and also emphatically sustained.

Therefore, if the government sets one day for elections it is, adopting one position and if it establishes 2 days for elections it is adopting another positon. We really want the best solution and this is probably why we are saying that setting the date is the most difficult issue, but we continue seeking the broadest agreement in this regard in order to set a day, month and year.

[Question] Is March 1984 still the date for the handing over of power or could there be some changes in this regard?

[Answer] The very last deadline for the handing over of power has always been March 1984. It will be in relation to the date we set for elections, but the deadline will always be March 1984. I have always maintained that it is a date which cannot be moved backwards or, better said, forward. It has always been stated that it is the very last deadline.

SILES ZUAZO ADDRESSES UN GENERAL ASSEMBLY 30 NOV

PV302140 La Paz Domestic Service in Spanish 1710 GMT 30 Nov 82

[President Hernan Siles Zuazo's address to UN General Assembly in New York on 30 November -- live]

[Text] Ladies and gentlemen:

I bring a message from my people to this assembly. A mix of anguish and hope pervades this message. I ask the president of this assembly to allow me to speak with emotion on these questions at such a late hour of this assembly's workday, but I want it to be understood that this hour is to set the course of our historical destiny.

My country has just been through an 18-year long calvary of dictatorships interspersed with very short periods of nationalist governments backed by the people. It would take too long to describe the sacrifices my people have had to make during this ordeal. In order to recover their freedom, dignity and sovereignty, the Bolivian people did not avail themselves of any weapon other than their moral strength and the inordinate solidarity of democratic governments, international organizations and nongovernmental international organizations. This triumph of Bolivian democracy demonstrates the highest human quality, which has brought it about with the peaceful disposition and political maturity that are acquired in adversity. There was no disorder or reprisals or vandalized properties. The country is now living under the rule of law. There are no political prisoners, no gagged press, no banned or persecuted ideology or religion. Bolivia feels proud to be able to proclaim that today it has an authentic and highly-regarded democracy. Bolivia has recovered its dignity and its international image, and it is being identified with democracy, not with drug trafficking and lawlessness.

My country was immersed in a chaos of alarming proportions. The political and moral crisis was compounded with a despairing economic situation whose main characteristics are well-known and shared by many other countries in the Third World: a heavy foreign debt, unbridled inflation, depressing fiscal deficit, scarcity of basic and indispensable goods, and an abrupt decline of the level of activities which can palliate unemployment and poverty.

These problems presently affecting my country intensify others that it has to endure because of its underdeveloped and economically dependent condition: foreign imbalance; a large low-income working class; a vulnerable economy affected by everchanging foreign factors; lack of proper markets; a disjointed and heterogenous productive sector; a low savings and investment rate.

Bolivia is experiencing this situation as a result of a process that should be reviewed since it is a useful lesson for all Third World countries.

Bolivia had its share of high income from primary exports thanks to an international economic expansion and rising oil prices. Moreover, it obtained numerous foreign credits that were accessible because of the financial liquidy of the last decade.

However, the expansion of financial resources brought about by these processes was not used to help the majority of the people. The reigning minorities in both the government and private sectors used resources derived from exports of our raw materials and foreign loans to expand and consolidate social inequality. In fact they squandered national resources without solving important problems thus undermining the development of Bolivia.

Imported and local goods and services were available to those minority groups, who were thus able to imitate the standard of living of high-income countries, while productive investment was neglected and the majority of the people were stricken by poverty.

This distorted and sectarian allotment of resources was based on two main facts: From the economic standpoint, our economy was opened to international commercial and financial trends. It was contended that, under such circumstances, Bolivia could have access to both the financial resources needed for its development and the manufactured goods from developed countries. This economic policy, based on commercial and financial opportunism, has been warmly welcomed by the great academic centers of developed countries, which still maintain that the principles of comparative advantages and of the conventional doctrine of the international division of labor mark the best path toward development. Our predominant minority groups could thus hide their selfish interests behind the respectable facade of scientifically proven principles.

But this antinational economic policy could only be drafted and implemented behind the backs of the people and with the support of strong and regressive dictatorships. Only through those regimes was it possible to implement the policy which favored high-income groups.

An analysis of the economic and political events which have occurred in my country during the last decades unerringly points to the malignant symbiosis between foreign and local interests. On the one hand, foreign interests, driven by their eagerness to make profits and their indifference toward the consequences of this policy, were anxious to sell their goods and negotiate their loans in my country. Local interests, on the other hand, only sought to strengthen their power and wealth so that they could ostentatiously and offensively imitate the standard of living of large industrial centers.

The international crisis which developed in recent years has disclosed the inherent vulnerability of the Bolivian position as a developing country. As foreign assistance vanished, the Bolivian economy collapsed, and the symbols of the alleged past development became a ridiculous and pretentious shell which failed to cover the source of our underdevelopment.

Unfortunately, Bolivia is not the only country which bears the heavy foreign debt burden. We share this concern with other Third World nations.

In the particular case of Bolivia, the fact that the people will have to pay with tremendous sacrifice a mortgage contracted behind their backs by illegitimate governments which used those resources to perpetuate themselves in power, arouses national indignation.

Mr President, the masterful manner in which you have presided over this session has confirmed that your designation as head of this General Assembly has been a wise decision. You represent, with the highest dignity, the best traditions of the noble Hungarian nation. I, therefore, ask you to please accept my sincere congratulations.

I am also particularly pleased to greet, on behalf of the Bolivian people and Government, UN Secretary General Javier Perez de Cuellar, illustrious Peruvian citizen and dear friend of Bolivia, where he started his outstanding diplomatic career. Latin Americans are legitimately proud of his designation as secretary general. Today, after a few months in office, we are sure -- more than ever before -- of his devotion and full dedication to the UN cause.

Thirty years ago, I had the privilege of addressing this organization as vice president of the Republic of Bolivia and as chief of the Bolivian delegation to the seventh round of meetings of the UN General Assembly. On that occasion, I expressed my anguish over the fact that the Assembly was beginning its session with the clear knowledge that it was fighting for the life of the organization, which had the prime task of attaining a constructive peace for all the peoples of the world.

Humanity has made incredible technological progress since then. However, the present session is once again under the foreboding sign of insecurity. Relations among peoples have not evolved as quickly as technological progress. Peace has not been attained yet, misery has not been defeated, racial discrimination has not been eliminated, human rights have not been universally respected, the exploitation of men and of the people has not been halted. In other words, the UN's objectives have not yet been attained.

The atmosphere of tension, violence and distrust that humanity is experiencing is not a source of optimism for the people. The lack of faith in the international organizations and in the multilateral efforts has not decreased, but has rather acquired an alarming intensity. This organization, in which humanity is confident, cannot escape from that disruptive effect. There currently is an increasing tendency to dispense with the United Nations, to ignore its mechanisms and procedures and to disregard its resolutions. The UN secretary general has outlined this reality to us without any subterfuges in his praiseworthy report on the organization's work. In this report, he made a point of stating that "we must stop that tendency before we cause another world catastrophe and find ourselves without any institutions capable of preventing such a catastrophe."

This distressing situation is aggravated even more when we look at the uncontrolled arms race, which could make life disappear from the planet. The virtual nonexistence of negotiations for drawing up a treaty to restrict strategic arms between the two most powerful countries on earth adds to this disquieting situation. To top it all, a considerable number of Third World countries have begun an arms race which causes the suppliers to enrich themselves and the buyers to grow poorer. The immediate and deplorable consequence of this absurd stockpiling is that large amounts of money are being used to buy weapons, while the amounts earmarked for economic and social development plans are even more scarce. It has been said many times that if the amounts earmarked for stockpiling nuclear weapons and for buying conventional arms and military equipment, which currently total the astronomical yearly figure of $700 billion, were to be earmarked for development plans, humanity would effectively resolve the problem of extreme poverty.

I hope that one bright and promising day, the Third World countries will together decide to decree a multilateral freeze on the purchase of weapons.

Mr President, the Bolivian people amazed the continent in 1952 when they revolted against a system of political harassment and of economic domination. The popular and democratic government later installed returned sovereign rights to the people through a truly national liberation process.

Now that Bolivia has resumed the path of national revolution, we are firmly determined to base our government on ideological pluralism and on a mixed economy. This is to say that we will permit the free play of political ideas and we will respect private initiative. In the international field, we intend to implement a policy mainly aimed at attaining the universal objectives of peace, development and justice.

The new voice of Bolivia will fervently support national liberation movements and will join the great struggle against imperialism, colonialism, neocolonialism, racism and all other forms of foreign aggression and domination.

My government is convinced that peace will be achieved and international security will be guaranteed if all member states would observe the high principles established in the UN Charter. Yet it is too often observed that principles like that of nonintervention and the right to self-determination are violated by those who feel mighty enough to arrogate for themselves the role of arbiters of the international community.

This is why the movement of nonaligned countries, an organization created for Third World countries to join efforts to fight every system of political or economic oppression, is becoming increasingly important.

We observe with discouragement that two member countries of the Nonaligned Movement, Iran and Iraq, are engaged in a bloody, fratricidal war which is causing large losses of lives and resources. My government urges these two countries to seek a just, peaceful and durable solution to this conflict.

We have received with great satisfaction the passage, by an overwhelming majority, of the resolution on the Malvinas Islands, and we reiterate our resolute solidarity with the great Argentine people who have the legitimate right to claim the exercise of their soveignty over that part of their territory.

The serious crisis affecting our Central American brothers causes my government deep concern. Tension, threats, escalation of violence are characteristics of that conflict which is getting worse in that region. Peace is rapidly deteriorating and the threat of war stems from a lack of vision and understanding. What the moment calls for is respect for the sovereignty of every country in the region and its right to freely use its natural resources and to make changes in its political and socioeconomic structure. As never before the respect for the principles of nonintervention and self-determination is of fundamental importance if a conflagration which could easily transcend the Central American boundaries is to be averted. The situation calls for goodwill initiatives, such as those of Mexico and Venezuela, which open up prospects for a political, peaceful solution. The peoples of that region have endured totalitarian regimes long enough and should be spared from enduring the horrible scourge of war.

The apartheid practice, a South African affront to mankind, must come to an end. The international community should give a firm, categorical response to South Africa's arrogant position. It is my government's position that sanctions against South Africa should be gradually expanded until it is convinced that it cannot go on forever ridiculing the United Nations and the world's nations. South Africa's stubbornness is reflected in its refusal to withdraw from Namibia, grossly violating resolutions approved by both the UN General Assembly and the UN Security Council. My government wants to pay tribute to the Namibian people and expresses its desire that their long struggle may end victoriously in true independence.

Bolivia, Mr President, supported with its vote the plan to divide Palestine and recognized the independence, sovereignty and territorial integrity of Israel, with which we currently maintain relations. Yet Israel's recent attack on Lebanon has truly shocked us and the march of Israeli troops on Beirut provoked our outright condemnation.

My country shares the principle that territorial gains through force cannot be admitted and demands that Israel withdraw from all Arab territories it is occupying. Similarly, my government declares that there can be no peace in the Middle East as long as a free, sovereign Palestinian state is not created. We recognize the PLO as the only, true representative of the Palestinian people.

Mr President, our vehement support of the principle that territorial gains by force cannot be admitted stems from our own bitter national experience and from an old American doctrine which states that war does not give rights. In other words, that aggression and the use of force and violence must be rejected.

More than a century has elapsed since Bolivia suffered a war of aggression which left it in a landlocked situation. It was an unprovoked war supported by the imperialism of that time. That aggression yielded results: The aggressor and the monopolistic sectors which backed it were able to exploit the large natural resources of the occupied Bolivian territories and left my country without a sovereign outlet to the sea.

Bolivia did not renounce, nor will it renounce, its free sovereign and useful access to the Pacific Ocean. This is a national cause, which has also become a continental cause. And one day, if we do not find justice, it will become another cause of the international community, such as the return of the Panama Canal to the Panamanians was, or as the return of the Malvinas to Argentina and Gibraltar to Spain, or as the need to establish a Palestinian state or Namibia's independence and the abolishment of apartheid all continue to be.

The Bolivian people's struggle to have a sovereign outlet to the sea will be ultimately successful because this will be in keeping with justice and with the desire of my fatherland and of America.

The recent adoption of a fourth resolution on the Bolivian sea outlet by the OAS General Assembly shows that progress is being made on the subject. This resolution confirmed three earlier resolutions which declared to be in the best interest of the hemisphere to find a solution whereby Bolivia may have a sovereign, useful outlet to the Pacific Ocean.

For its part, in its sixth summit meeting held in Havana, the Nonaligned Movement recognized my fatherland's just, legitimate right to recover its sovereign outlet to the Pacific Ocean. This declaration was later reaffirmed at a conference of foreign ministers held in New Delhi in 1981. That meeting which lasted [words indistinct] was the last meeting of those foreign ministers who are now attending this assembly.

The lack of an outlet to the sea restricts my country's chances of participating in the future exploitation of not only the sea's food but also of the sea's energy and other resources. It is not fair to preclude a country from having access to the sea's resources at this juncture when the aggravated deficit in the world production of food and raw materials will force us to turn to the waters and to the seabed as future sources of human well-being and progress.

Mr President, if the international political situation is both chaotic and discouraging, the economic situation is much more distressing and troubling. Even worse is the fact that there are countries which can contribute to solving these economic problems but have no political desire to do so. The quest for formulas which could reconcile the disagreements between the rich countries of the North and the poor countries of the South is still unsuccessful.

[Words indistinct] that the groundwork was finally laid out for holding global negotiations which would lead all nations to fulfill the objectives of a new international economic order. But no progress has been made since that meeting. Among the countries of the North there are those which continue to oppose a revision of decisionmaking mechanisms and of operational rules for institutions such as the IMF, the World Bank and the GATT as though these institutions created in 1946 were infallible and nothing has happened since their creation.

Yet today's world is different and, therefore, it is necessary to adjust yesterday's institutions to today's needs as the Third World has been aptly and justly requesting. I know I am not saying anything new. I know there is complete consensus in conceding that the world economic situation is too serious to conceal. I also know that this was the central issue of the general debate that opened this session.

Moreover, both the Group of 77 and the nonaligned countries have discussed this situation and issued statements clearly noting the causes of this deterioration.

In view of this, I have no need to make an exhaustive analysis of the crisis. I will merely state that my government supports those who urge nations to confront this situation in an effective manner. In view of the times we must be in complete agreement: Solidarity among countries in the southern hemisphere must be strengthened; the North-South dialogue must be intensified and an understanding must (?be achieved).

Mr President and representatives: The return of democracy has opened promising prospects for the Bolivian people who, with great sacrifice, are willing to confront the social and economic crisis I have already discussed. But this undertaking would be thwarted if Bolivia does not find a proper answer to its aspirations among the international community.

My government has promised its people that it will respond to their sacrifice by making a gigantic effort to overcome as soon as possible the tragic situation we inherited from past dictatorships. We appeal to the international community to help us in this cause.

To control the [word indistinct] of drugs is a duty that must be assumed by both governments of those countries that produce it and by governments of countries that consume it. I have no need to note the nefarious consequences of this dirty and hateful business. Its corrosive actions affect us; it encourages corruption; undermines political order; undermines the morals of those countries that produce it and constitutes a serious social threat in those countries that consume it.

Mr President: I have started this speech with a pessimistic tone because my government is apprehensive about the inclination of certain states to act outside the United Nations thus disregarding its basic principles. I believe that in view of this attitude it is necessary to make a collective effort to make this organization a center of understanding and international cooperation. We want the United Nations to be a strong and vigorous organization that imparts the necessary directives to achieve a peaceful and harmonious world. Let us hope that this organization is not a fading light but a radiant sun that guides the paths of nations to achieve peace, progress and justice. Thank you very much. [applause]

REPORTAGE ON PRESIDENT REAGAN'S VISIT, REACTION

Figueiredo Hosts Dinner

PY020145 Paris AFP in Spanish 0015 GMT 2 Dec 82

[Text] Brasilia, 1 Dec (AFP) -- Brazilian President Joao Figueiredo said here tonight that friendship and cooperation within the inter-American system should be strengthened in order to cope with Latin American problems.

Speaking at a dinner he hosted tonight honoring Ronald Reagan, his U.S. counterpart, the Brazilian president underlined that pluralist and democratic solutions would not work in an environment of poverty and social instability, taking into account that each country feels that its economic security has been threatened.

After stating that efforts must be made for promoting contacts between Latin America and the industrialized world and for increasing cooperation with the other Third World countries, Figueiredo added that consultation mechanisms and methods of work should be designed in order to build mutually satisfactory societies.

After voicing his concern over the Central American crisis, the Brazilian president said that Colombia, Mexico and Venezuela could cooperate for the free and democratic settlement of the situation in that region.

Figueiredo also said that international political problems should be viewed in the light of the world economic crisis, adding that developing countries -- Brazil among them -- are the ones which have been hurt the worst by the world trade decline, international financial restrictions and the general economic stagnation.

Figueiredo expressed confidence in his government's economic and financial policy, but he stressed that Brazil would encounter more difficulties if protectionist trends restricting the sale of Brazilian products on large markets are not lifted and if the flow of international financial resources is not speeded up.

General Figueiredo also said that it is necessary to improve the operational capacity of multilateral agencies and to increase both their resources and the participation of developing countries in decisionmaking.

He added that the restoration of the North-South dialogue between poor and rich nations will be of great significance for the reactivation of the world's economy. He stressed that Brazil expects a just compensation for its contribution to the international economy.

He also said that Brazil and the United States have pursued a constructive dialogue and that we are free to disagree on some matters just as we agree on others. He recalled that during the Malvinas crisis we were able to hold a fruitful dialogue despite our differences of opinion on the matter.

Figueiredo also voiced his opinion over international tensions, particularly in the Middle East, in East-West relations and in Namibia.

In conclusion, he said that true as they are to their democratic ideals, the Brazilian Government and people want their country to remain true to its ancient heritage; free, independent and friend of its friends.

Presidents Meet

PY020247 Brasilia Domestic Service in Portuguese 2200 GMT 1 Dec 82

[Excerpts] According to the presidential press secretariat coordinator general, President Figueiredo was very satisfied with the meeting he held today with President Ronald Reagan. He noted that he was certain much more would be achieved from this meeting than what was expected. He added that President Figueiredo noted the cordial relations uniting the two countries and praised President Ronald Reagan.

Antidrug Struggle on Agenda

PY011437 Paris AFP in Spanish 1355 GMT 1 Dec 82

[Text] It was officially reported here today that matters related to the international antidrug struggle will be discussed in Brasilia during U.S. President Ronald Reagan's trip to Brazil. This report disclosed by the Brazilian Foreign Ministry indicated that the subject will be discussed by Foreign Minister Saraiva Guerreiro and U.S. Secretary of State George Shultz. [Words indistinct] Brazilian Justice Minister Ibrahim Abi Ackel said here today that the assessment of this problem by the governments of the two countries is aimed at expanding the cooperation between Brazil and the United States for the repression of drug traffic.

Saraiva Guerreiro's Comments

PY020129 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Dec 82 p 7

[Text] Brasilia -- Foreign Minister Saraiva Guerreiro yesterday stated that Brazil will not enter into any bilateral agreement with the United States to reorganize the inter-American system and that the Brazilian Government believes the U.S. Government should join those of Venezuela, Mexico and Colombia to promote peaceful, negotiated solutions to the Central American crisis.

Saraiva Guerreiro made the above remarks in an exclusive statement to FOLHA. In his opinion, President Ronald Reagan's visit cannot be related only to the Brazilian economic crisis. Reagan is in Brazil for several reasons, he said, including that of returning President Figueiredo's visit to Washington, the Brazilian president's speech at the United Nations, the inter-American system and U.S.-Latin American relations, among others.

Saraiva Guerreiro said no specific proposal on the reorganization of the inter-American system will be made during the talks to be held with Ronald Reagan. "We are not proposing any reformulation. A proposal of this type would be sound only if it were a multilateral one since the inter-American system is not only based on U.S.-Brazilian relations. The system is a whole and if there were ideas and proposals to this effect they should be thoroughly treated so as to heed reactions from all countries, not from only two countries," Saraiva Guerreiro said.

Still commenting on Latin American issues, Saraiva Guerreiro conceded that one of the issues to be discussed by Figueiredo and Reagan will be Central America. In this respect, Saraiva said our position is "in favor of a peaceful, political, diplomatic solution, free from foreign interference. We have expressed our desire that democratic, pluralist, representative solutions be found."

Asked whether the United States was helping to find a solution which approaches the line advocated by Brazil, Saraiva gave a sharp reply: "I have no reason to state my views in this respect."

He added: "I believe the United States, Mexico, Venezuela and Colombia, which are Central America's closest, most experienced neighbors, should act as much as possible in a coordinated fashion to find peaceful, negotiated solutions. The bottom line is that the causes of the crisis are of a socioeconomic nature which, if not treated as such, will result in recurring periods of uneasiness."

Saraiva Guerreiro said that although Brazil is experiencing an economic crisis, he does not believe this situation will undermine its international actions since Brazilians have already won the world's respect for having adopted measures to fight the crisis which basically reflect the nation's resolve. He also expressed his conviction that President Reagan understands the emergency situation Brazil has been experiencing. Yet, even if the United States does not change its laws and regulations to allow Brazil to have a positive trade balance, "commonsense dictates that this possibility should at least be considered."

Ludwig on Effects of Visit

PY012355 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Dec 82 p 13

[Text] Brasilia -- Rubem Ludwig, chief of the military household, has said President Ronald Reagan's visit will not result in a change in the course of Brazilian foreign policy. Ludwig said the government ruled out the possibility of "automatic alignment" with U.S. foreign policy. While Brazil and the United States share kindred positions, they also have differing views which should be respected. The minister noted that the U.S. authorities do not expect this visit to result in changes in Brazilian foreign policy. Ludwig said: Brazil is today among the 10 leading economies in the world and its political process places it in a privileged position in international forums. Therefore, Brazil is a country which has and will maintain its own line of relations with the world.

PMDB Senator's Criticism

PY020213 Brasilia Domestic Service in Portuguese 2200 GMT 1 Dec 82

[Text] Commenting on President Ronald Reagan's visit to Brazil, Alberto Goldman [Brazilian Democratic Mobilization Party, PMDB, Sao Paulo Senator-elect] has stated that the visit represents Brazil's unconditional surrender to the United States and that it will result in a suicidal economic policy by making Brazil completely dependent on capitalist international financial centers.

Further Criticism

PY020246 Brasilia Domestic Service in Portuguese 2200 GMT 1 Dec 82

[Text] Joao Cunha [PMDB -- Brazilian Democratic Mobilization Party Sao Paulo Senator-elect] has criticized the meeting that PMDB legislators will hold with President Reagan because he believes that the U.S. President's visit and Brazil's appeal to the IMF undermine national security since both will lead to larger indebtedness and economic recession.

Demonstration in Sao Paulo

PY021204 Sao Paulo Radio Bandeirantes in Portuguese 1135 GMT 2 Dec 82

[Excerpt] Close to 4,000 persons participated in a demonstration through downtown Sao Paulo streets protesting President Reagan's visit to Brazil. The demonstration was sponsored by the National Commission for a United Workers Union, the National Students Union, the Brazilian High School Students, the Brazilian Democratic Mobilization Party youth group, and the Workers Party.

Senator Links Visit to IMF Talks

PY020033 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Dec 82 p 13

[Text] Brasilia -- In a farewell speech delivered from his seat and in which he made a moving reference to his struggle with death, Senator Teotonio Vilela (Brazilian Democratic Mobilization Party-State of Alagoas) yesterday protested President Ronald Reagan's visit to Brazil. Senator Vilela did not run for reelection.

After embracing Vilela, who was wiping his tears with a handerchief, Social Democratic Party leader Nilo Coelho went to the podium to read a note stating that President Reagan "came to Brazil not only as a chief of state but primarily as the leader of a democratic, open, free society that elected him."

Vilela criticized President Reagan's visit to Brazil and questioned the Brazilian Government's failure to give an explanation to the people. He believes President Reagan came to pave the way for negotiations with the IMF committee. He regarded Minsiter Delfim Netto as "a lackey of U.S. imperialism" and criticized multinational companies. He concluded by referring to his struggle with death and remarked that he wanted nothing but to die fighting.

Visit Seen As 'Trivial'

PY021123 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Dec 82 p 2

[Editorial: "A Trivial Event"]

[Text] The excessive expectations surrounding the visit the U.S. President has been making to our country since last night can only be explained if one takes into account the perplexingly serious Brazilian economic-financial situation and vestiges of an attitude which is both boisterous and submissive. The exaggerated framework depicted by most Brazilian media and the recurring fears expressed by sectors linked to our nationalist traditions seem to have overlooked a few -- although significant -- circumstances.

In the first place, Mr Ronald Reagan's presence here will not influence the negotiations which the Brazilian Government and the IMF are conducting. These talks are already in their final stage and, as is a standard practice in this type of situation, these talks will be made public only at their conclusion, not at their initiation; a practice which, incidentally, the Brazilian Government seems to follow with delight since it is accustomed to keeping secret those issues affecting the national interest. It would not make sense then to imagine that the U.S. President came to Brazil to discuss the formal aspects of an agreement which is in principle already concluded in view of the financial commitments our government cannot honor and which today exceeds $80 billion.

Secondly, it is also known that no substantive changes will result from the visit concerning relations between the two countries nor in their respective positions within the inter American system -- or what was left of it after the Malvinas military conflict. It is proper to quote here Foreign Minister Saraiva Guerreiro who, in a statement published today by FOLHA, quite clearly stated that "we are not proposing any reformulation. A proposal of this type would be sound only if it were a multilateral one since the inter-American system is not only based on U.S.-Brazilian relations." Fortunately, Brazil's unavoidable financial surrender will not be matched by concessions which would undermine the calm, sound foreign policy undertaking by Itamaraty.

Then, what is behind this Hollywood-type "tour"? Everything indicates that the motives behind this trip fall within the field of political propaganda, which is not unusual however in meetings of chiefs of state. The U.S. Government has shown that it is aware of the serious erosions that occurred recently in its already poor relations with Western Third World countries, especially in Latin America. In this respect, Mr Reagan's itinerary should reflect another propaganda effort to mend fences. Concerning Brazilian interests, the U.S. President's visit means endorsement of the speech President Figueiredo delivered in September at the UN opening session. Similarly, Reagan's presence in Brasilia enhances, with all the weight carried by the U.S. President, the Brazilian Government's credibility before its international creditors.

The triviality of the event then rules out any possibility of either optimism or pessimism.

CONGRESS CALLED INTO SESSION FOR ELECTION BILL

PY011639 Sao Paulo Radio Bandeirantes Network in Portuguese 1600 GMT 1 Dec 82

[Text] It has been reported that Congress has been called for a special session tomorrow at 1100 when the constitutional amendment proposal presented by Senator Mauro Benevides will be introduced. This amendment proposal provides for direct elections in the capitals and cities considered national security areas.

Benevides is collecting signatures so that the joint commission to study this proposal will be installed by Friday. It is not believed, however, that the so-called Benevides amendment will be brought up to the floor because the congressional recess is scheduled to begin on 5 December.

TEACHERS, WORKERS GROUPS REJECT REAGAN'S VISIT

PA012217 Buenos Aires LATIN in Spanish 2151 GMT 1 Dec 82

[Text] Bogota, 1 Dec (LATIN-REUTER) -- A group of unionized state industrial workers and public educators issued a statement today rejecting President Ronald Reagan's visit and calling for a public demonstration in Bogota tomorrow to protest the visit.

At the same time the police reported today that during a march protesting the Reagan visit, a student was injured and 30 arrested in disturbances at Valle University in Cali, 500 km southwest of Bogota.

Reagan will arrive in Bogota at mid-day on Friday and will leave 5 hours later for Costa Rica after meeting with his Colombian counterpart Belisario Betancur.

In Bogota a committee repudiating Reagan's visit stated in a communique that "Reagan is visiting us when he has given new evidence of his warmongering policy with the installation of more nuclear missiles." The communique is signed by representatives of 200,000 primary school teachers and 400,000 state workers, in addition to delegates of textile and manufacturing industry unions, the Communist Party, the so-called Independent Workers Revolutionary Movement (MOIR), Communist Youth, and the leftwing movement Firmes. "It is an unwelcome visit," the committee states in calling for a protest march to be held in downtown Bogota. The communique states that "Reagan is arriving when U.S. intervention in Central America and its alliance with Israel in the Palestine massacre are still fresh in our minds, as well as when the wounds of the aggression of the Argentine peoples inflicted by British colonialism with the support of the United States have not been forgotten."

REAGAN VISIT QUESTIONED; FOCUS ON DRUGS, EXPORTS

PA012330 Bogota EL ESPECTADOR in Spanish 28 Nov 82 p 7A

[Alvaro Escallon Villa article: "Why Is President Reagan Coming?"]

[Text] In the next few days U.S. President Ronald Reagan will be arriving for an official visit. He will be accompanied by Secretary of State George Shultz and by Thomas Enders, assistant secretary of state for inter-American affairs. His retinue is large and important. It includes experts in the fields of trade, finances, taxes, drugs. social affairs, etc. This will be a group of important persons that unfortunately, or fortunately, will be in Colombia only a few hours, but as the saying about the one-eyed man goes, what they have seen will be enough. The fact that Colombia has been chosen as a stopover in President Reagan's important tour to Brazil has caught my attention. Why go to Costa Rica after being in Colombia?

A U.S. journalist asked me this question and I, perhaps naively, told him this: "These three countries represent economic and political development, have international importance because of their nearness to or remoteness from State Department policies; these countries reflect the serious international financial situation and border on the area of tension, a tension that exists because of the campaign for or against the influence of Russia, Cuba or Nicaragua in Latin America's institutional life."

In the case of Colombia, this implies that our powerful neighbor to the north is going to be interested in discussing the mechanisms necessary in both countries to repress the cocaine and marihuana traffick and to strengthen the cooperation that the olombian Government can give to U.S. effort to reduce the damage caused by the presence of these drugs in that country, especially among the youth of the United States.

This traffic involves between $10 billion and $60 billion a year. For reasons beyond our control, the traffickers are in our country to stay. They have sophisticated systems that involve planes, ships, automobiles and other means of transportation. They have television networks and other communications systems that represent large investments. It has been reported that they have radar along our coasts. Supposedly, large agricultural and industrial investments have been made and between 60,000 and 70,000 hectares of land are used for planting and processing. Much to our regret, two states, especially California -- where President Reagan was born -- produce, plant and market more marijuana than Colombia. In those two states, marijuana is the most important cash crop. U.S. drug-consumption figures are unnerving. For example, it is said that 40 million North Americans use drugs and that 8 million of them use cocaine. Therefore, this is a very grave social, economic and political problem. Colombia is being accused of dominating 20 or 30 percent of this market. I say dominate to avoid using the term export and because domination is the product of an arrangement between the United States and Colombia. As far as profits in this dirty business are concerned, the Colombians hardly get a modest 10 percent.

From the Colombian point of view, we will be interested in telling the North Americans about completely different things. For example:

We have to know what backing the United States gives to the international coffee agreement at a time when there is international overproduction and a great surplus on the market which is being pressed by a downward trend in prices. We have to know what the United States is prepared to do so Colombian planters may count on a market and on a profitable prices in the United States.

Our flower exports have been seriously affected by a tenacious campaign financed by U.S. planters. The U.S. Treasury and Agriculture Departments have insisted on establishing quotas, taxes and revisions and limitation in response to pressure form senators and representatives from various regions. We must be clear and emphatic in stressing that Colombia has more than 100,000 persons in the floriculture sector and that a considerable investment is involved. For this reason we must know if that friendly country can guarantee us its market.

Since 1950, we have been one of the biggest producers and exporters of textiles to the United States. We have done so at all levels of the process, from raw fibers to the most advanced textiles. We have seen with astonishment that in recent years the producers of Korea, Taiwan, Hong Kong, etc, have displaced us. We have not received most-favored-nation treatment. We hope to reach an understanding on this subject. In the same way, we could demand our sugar quota at a time when there is a glut on the market and the only applicable mechanisms are those of the quota system.

Lastly, along with a group of U.S. multinational companies, we have committed ourselves to the joint exploitation of our mineral wealth; coal and nickel. We have had to do this at the expense of our public and private savings, giving a backseat to other more socially important investments. At this time, when we are near a worldwide depression with its attendant hunger, poverty and grief, we hope that our people can defend themselves with the export of those products to the U.S. market. These are valid and consistent aspirations.

They are legitimate aspirations of a friendly government and people who for years have shown their seriousness, rectitude and democratic spirit. Until a short time ago, anti-Yankee movements were unknown in Colombia, perhaps due to the lack of information or deficiency in the presentation of a true image. Our people have felt they have been affronted by the treatment that our compatriots have received from the U.S. Customs and police officials as well as due to the discrimination against Colombian products.

ARMY PROMOTES TWO GENERALS TO DIVISION HEADS

PA301638 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 30 Nov 82

[Text] Bogota -- Brigadier Generals Josue Barrera Leal and Diego Gonzalez Ossa, who will receive their stars as major generals on 16 December, have been named the commanders of the 1st and 2d army divisions headquarted in Barranquilla and Bucaramanga.

The two senior officers will travel to their respective headquarters in the next few days to meet with the commanders of the brigades that will compose these two divisions. The 1st division, headquarted in Barranquilla, will include the 2d and 4th brigades and two development commands located in Uraba and Choco, as well as air force and naval components. The 1st and 5th brigades, stationed in Bucaramanga and Tunja, will be attached to the 2d division.

The two divisions that are to be led by the two major generals will have approximately 20,000 men, including officers, NCO troops and civilian personnel.

MINISTERS DENY ARMED FORCES-GOVERNMENT RIFT

PY012203 Lima EXPRESO in Spanish 24 Nov 82 p 3

[Excerpts] Aeronautics Minister Lt Gen Jose Garcia Calderon and War Minister Gen Luis Cisneros Vizquerra have categorically denied reports of an alleged confrontation between the armed forces and the government. General Cisneros stated that the army maintains a strictly military position. For his part, the aeronautics minister clearly and categorically stated that reports about a possible estrangement between the armed forces and the government were completely false. Speaking at the end of a hearing of the Senate's National Defense Committee at which promotions in the army were discussed, General Cisneros made it clear that the Army Intelligence Services are in no way responsible for bringing terrorism under control and that their only participation was limited to supplying some specific information. Regarding the reports on an armed forces-government confrontation as speculation, Aeronautics Minister Garcia Calderon said it does not matter which group is the ruling party, "but to defend the democratic system." Garcia Claderon also denied reports of terrorist infiltration in armed institutions and stated that the country's integrity was not in jeopardy. Speaking at the government palace after meeting with President Belaunde Terry, Garcia Calderon revealed that the 1983 budget has major limitations for his ministry and that he had made a request to the appropriate ministry that it be increased.

U.S. TEXTILES SURCHARGE TURN MARKET TO USSR, EEC

PY012156 Lima EXPRESO in Spanish 21 Nov 82 p 3

[Text] There are great possibilities for the Soviet Union to buy a large portion of the Peruvian textile products in the fact of the closure of the U.S. market due to the heavy surcharge applied by the U.S. secretary of commerce. The announcement was made yesterday by Antonio Alejandro Beck Llosa, vice president of the Textile Committee of the Industrial Society, shortly before leaving for Europe with a delegation which is actually going on a tour to look for new markets. In addition to Moscow, the tour will include Romania, Bulgaria and London, he said. Speaking at "Jorge Chavez" Airport, Beck Llosa said the closure of the U.S. market means a loss of $80 million which will directly affect approximately 40,000 workers. He said: "Therefore, the committee should not only consider production problems but social consequences which could be serious if no new markets are secured." After stating that the possibility of selling manufactures textile products to the Soviet Union is based on the high quality of our products, he said there were also prospects within the EEC, to which 4,000 tons are already being sold. Beck Llosa, who is also president of the Textile and Leather Committee of the Exporters Association, called the U.S. decision to impose heavy surcharges on Peruvian textile products unjustified economic aggression.

BELAUNDE DEDICATES CONSTITUTIONAL COURT

PY012147 Lima EL COMERCIO in Spanish 20 Nov 82 p A-1

[Excerpts] Arequipa, 19 Nov -- President Fernando Belaunde Terry installed the Court of Constitutional Guarantees [TGC -- Tribunal de Garantial Constitucionales] here today and expressed his confidence that the knowledgeable, qualified members of the court will act wisely to watch and to safeguard the Constitution so that the law may be enforced and that it may not be arbitrary. Speaking at a solemn ceremony held in the Santa Catalina Monastery, Belaunde emphasized the Constituent Assembly's decision to incorporate the TGC into the Constitution and wished complete success to the members of the court.

DE LA MADRID OUTLINES GOALS IN INAUGURAL SPEECH

FL012115 Mexico City Domestic Service in Spanish 1701 GMT 1 Dec 82

[Inaugural speech delivered by Mexican President Miguel de la Madrid to the Congress of the Union -- live]

[Text] Honorable Congress of the Union; Mexicans: I have sworn before you to defend and enforce the Constitution and the laws of the republic, to exercise with loyalty and patriotism the position conferred upon me by the people and to look out for the welwell-being and propsperity of the union. This oath is not a mere formality; it is the highest declaration of a political, legal and moral commitment which I am assuming before the Mexican people. Committed to these imperatives, I will make the presidency of the republic the instrument for direction and service which it was designed to be by the Constitution and will lead the nation toward the goals which have been defined by the only legitimate writer of our history: the Mexican people.

I will govern with the Constitution and the laws. I will govern for the higher objectives they lay down. I will govern to preserve and strengthen national independence, to protect and improve the enjoyment of individual and collective freedom, to enrich the democratic life in political, economic and cultural fields, to strive for the fraternal and harmonious coexistence of all Mexicans. I will govern to preserve and strengthen peace in the republic. I will govern within the framework of the state of law. My government will act under the law. I will respect and will make others respect the legal system born of the Mexican revolution. This is the way to direct free coexistence and social work in order to achieve justice. I firmly believe that there is no law against what is right and that to the degree laws are obeyed there will be less need to obey men. Our state of law, by mandate of the 1917 Constitution, is a strong state. The strength of the state guarantees the unity of the nation, insures our independence and permits the fulfillment of social changes. The Mexican State is strong not because it imposes itself arbitrarily, but because it has the consensus of the majority. We will preserve its strength because there is no possibility of justice in a weak state or a strong state without freedom or justice. We will become stronger with law, freedom and justice because they are the reasons for our existence.

I will govern in accordance with the mandate I received from the voters. I tried to make of the election an authentic ideological and programatic plebiscite. For this purpose, I made my election campaign an intense popular consultation. I concentrated on the feelings of the people in order to present opinions and objectives based on these feelings. The people voted for a detailed and concrete platform with the greatest election turnout in our history. Therefore, I have received a clear mandate under which my government actions will be conducted.

These are the bases of the government I begin today by popular will. We are not going to propose new doctrines because we have the doctrine which legitimizes our history; the doctrine which has been sustained by national consensus under all kinds of circumstances; the one supported by the people on 4 July. My ideological commitment is to the Mexican revolution.

We are today beginning a new chapter in the history of Mexico. We are doing it along the pathway of the popular movements which give us impetus and direction: independence, reform and revolution. We will base ourselves on the contributions of each stage, of every 6-year effort and, of course, on the achievements made under the administration of Jose Lopez Portillo. We owe to his administration multiple accomplishments: the strengthening of the principle of federalism; a great impetus to economic activity and employment; outstanding progress in energy and food; significant improvement in education and social security; support for the neglected sectors; political reform; administrative reform; the basic stages of the national planning system; the reaffirmation of the stage leadership; the nationalization of banks; a period of broad freedom; and an active and dignified foreign policy.

I give my recognition and appreciation to the efforts and achievements of Jose Lopez Portillo. [applause]

On beginning this new stage, it is necessary to recognize and appreciate the nation we Mexicans have built. We have an extensive infrastructure; an important industrial complex; the fourth largest oil reserve in the world and first-class oil extracting installations; large agricultural, forest, fishing and mineral resources; and a vast tourism potential. The country has roads and means of communication. We have educational, health and social security systems; administrative and cultural cadres; responsible workers and able nationalist businessmen; and a regime of freedom based on a basic popular consensus. We have made great achievements thanks to the efforts of all Mexicans.

I am also aware that I am taking over the government of the republic at a difficult time. Mexico is experiencing a serious crisis. We are suffering from an inflation which this year has almost reached 100 percent; an unprecedented deficit is affecting the public sector and there are no savings to finance public investments; the lag in tariffs and public prices puts the state enterprises in a difficult situation, covers up deficiencies and subsidizes high income groups. The weakening of the productive sectors has placed us in a position of zero growth.

Foreign currency has stopped coming into the financial system except for the income from oil and other products of the public sector and its credits. We have a disproportionate public and private foreign debt; this has become an excessive burden on the budget and the balance of payments, and has taken away resources from productive investments and social expenditures. Tax income has weakened, increasing the inequity. External credit has decreased drastically and internal savings and investment have deteriorated. Under these circumstances, production and employment are seriously threatened. Therefore, we are facing the highest unemployment of recent years. The lower-income Mexicans are having growing difficulties in satisfying their minimum subsistence needs.

The crisis manifests itself in expressions of distrust and pessimism in regard to the country's ability to resolve its immediate requirements, in discord between classes and groups, in impassioned searches for the guilty, in reciprocal and growing recriminations, in feelings of defeat, discouragement and irritating individual or sectarian egotisms -- tendencies which eat away at the necessary solidarity for coexistence and collective efforts. The perfect atmosphere has been created for the enemies of the system -- built for the single purpose of democracy for the nation -- to rush and condemn it indiscriminately and plant doubts about our historic course.

This is the national picture. We contrast our assets and progress with our liabilities and difficulties in order to maintain a realistic point of view, not a catastrophic point of view but neither a naive one, as we face serious circumstances. We face difficulties -- serious difficulties -- but we are not a defeated nation without resources.

The crisis is entrenched in an international context of doubt and fear. A deep recession is rapidly growing. There are trade wars, even among allies. There is protectionism under the mask of free trade, high interest rates, a drop in the prices of raw materials and an increase in prices of industrial goods. This has bankrupted many countries. Added to this world economic disorder is the political instability, the arms race, the superpowers' struggle to expand their areas of influence. Never, in the recent past, have we seemed so far from international understanding.

We are experiencing an emergency situation. This is not the time for wavering or quarreling. It is time to take a stand and be responsible. We will not remain idle. The situation is intolerable. I will not permit our country to dissolve in our hands. We are going to act with decision and firmness. By uniting collective efforts into a great movement of national solidarity, Mexico will forge ahead. At this time, more than ever, we Mexicans have been able to see and understand that the interests of the republic and the destiny of the country are above individual interests. That is the national feeling which, as of today, we have to convert into determined and firm actions.

I will implement immediately an economic reorganization program. Its main objectives are: to effectively fight inflation, protect employment, and rebuild the foundations for a development that is dynamic, correct and efficient. Its details and procedures will be announced during the first month of my administration. We will begin to work on it accordingly. The intensity of our efforts will match the severity of the crisis. This is the 10-point program:

1. A reduction in the increase in public spending. I will implement an austere budget strictly adhering to the financial resources available, holding public services to essential levels, giving necessary priority to operational and priority investment programs, meeting payments for the national debt and containing the growth of regular spending to increase public savings.

2. Job protection. I will promote special programs for productive jobs and social work in the more depressed rural zones and in neglected urban areas. With austerity, we will redirect investment resources toward projects which generate the use of manual labor and we will adjust the capital-intensive programs. To protect existing employment, we will promote a selective program of support in industrial plants, with emphasis on the medium and small enterprises that are basically sound, through timely credit, priority in access to foreign currency, technical assistance, and demand which is organized and stimulated via purchases in the public sector. The responsible, nationalist businessmen, who are the majority, can expect my administration to give them the respect they deserve for their legitimate rights and will assist them in working for the welfare and in the interest of the majority of the Mexican people. Employment is the one basic value which must be protected. We will ask producers for moderation and responsibility in their negotiations in order to moderate salaries and benefits. We will precisely define the basic food basket and will strengthen the firm, effective and honest control of the prices of those products in order to protect the buying power of the working people in the fields and in the cities. Subsidies will be reoriented and reformed with this purpose in mind: to reconcile consumer interests justly and to encourage production.

3. Continuation of the projects in progress with a criterion of selectivity. We will give greater emphasis to high-priority and immediate investments. We will cut those which are not indispensable. We will cancel projects as soon as we are aware of their expensive nature, low priority or incorrect programming.

4. Reinforcement of the regulations that insure discipline, adequate programming, and efficient and absolute honesty when authorizing the expenditure of government funds. Financial responsibility will be the basic criterion for watching and evaluating the performance of public officials. We will strictly regulate the distribution of the budget to avoid squandering, waste and corruption.

5. Protection and encouragement of programs to produce, import and distribute staples to feed the people. We will fight speculation in this sector. We will improve and reform state intervention in production, processing, distribution and public consumption so that resources used will really benefit the sectors the state wants to protect.

6. An increase in public revenues to curb undue growth in the deficit and consequently a disproportionate increase in the public debt. I will then, of course, promote fiscal reform to get equitable direct taxes, give uniformity to indirect taxes and review the fictitious levels in the nontaxable areas. Fiscal reform is also aimed at obtaining greater revenue in order to give stronger bases to the financing of public expenditures. We are going to make progress in tax administration. We are going to review fiscal incentives in order to support production and employment and encourage exports. Due to an unavoidable need, we are going to increase the prices and tariffs of goods and services produced by the public sector with greater increases for goods and services consumed by social groups with relative high income. People who have more must pay more. This is in accordance with the basic principle of justice. At the same time, we are going to demand from administrators and ask workers in public enterprises for explicit commitments of efficiency and productivity. This must be their contribution to the necessary economic reorganization to which we Mexicans must all commit ourselves. We must face reality. We cannot tolerate the bankruptcy of our public enterprises, the basic patrimony of the nation.

7. Channeling of credit toward national development priorities avoiding speculation or the misallocation of resources for unjustified investments in the production, processing, distribution and consumption of the goods and services required by large consumers and the interests of the nation. We will see that the nationalized banks operate with efficiency and honesty. Credit and internal savings are based on confidence. The Mexican Government will demonstrate its responsibility through the honest and efficient administration of the National Bank. I will not allow rapacity or the use of bank credits for the political promotion of bank officials or bank operations affecting the rights of clients. I reject financial populism. We will offer attractive interests rates for savings accounts, security in the administration of public resources and productivity and efficiency in bank services in order not to unjustifiably increase the cost of credit. The nationalization of the banks is irreversible. We will reorganize the credit institutions in order to have an effective control of the nation through the state. We will promote new and imaginative formulas to prevent red tape so that those who save, those who have credit and the entire society -- workers, peasants and businessmen -- have an adequate participation in the administration and even in the patrimony of these institutions. Nationalization does not mean state ownership. The nationalized banks must belong to the people and not to a new minority of leaders.

8. Recovery of the exchange market under the state's monetary authority and sovereignty. We will adjust the exchange control mechanisms to arrive at a realistic and functional system which would recognize the practical operation of the Mexican economy. We intend to recover the national financial system's exchange market and maintain a kind of realistic exchange which would encourage the exporter and promote the influx of the foreign currency necessary to supply goods and services to the production sector. We will eliminate imprudent exchange subsidies which affect the well-being of public finances. We will maintain strict control over imports and will gradually improve the protection of various sectors to eliminate unjust profits which negatively affect the welfare of consumers, thereby gaining greater industrial integration and competition for our products. We will work to reestablish necessary conditions in Mexico which will bring about internal savings and avoid the flight of financial resources.

9. A restructuring of the federal public administration to subject public institutions to order and control. We will take advantage of the great deal we have accomplished. We will fix what has not worked. We will make the necessary changes. We will subject public administrators to warnings, discipline and the most strict rules of responsibility.

10. We will act under the principle of state stewardship and in a mixed economy system, as enshrined in the republic's federal Constitution.

In order to affirm these principles and give clarity and certainty to the course we will follow, I will submit a reform bill and an amendment to the economic portion of the republic's Constitution for the people's consideration. This bill proposes, within the standing principles in these matters and the people's will as expressed on 4 July, to reiterate and strengthen the state's responsibility to control and promote national development and bring about the harmonious and mutual responsibility of the public, private and social sectors in our economic system, ratify economic freedoms subject to the public interest, and establish a system of democratic development planning at the constitutional level.

The economic activity of the state and private individuals -- whether of the social or private sector -- must have a clear legal framework establishing an adequate balance between the obligations of the state and the freedom and rights of the private sector. This necessary harmony must be ruled by nationalism, freedom, democracy and social justice.

With this 10-point program we will initiate our response to the crisis. All Americans must contribute to this great effort, aware that there is no foreign aid or magic solution to replace that effort. Recovery will take time. The next 2 years, the first months of government, will be tough, difficult. Austerity is imperative. We will see to it that it is observed and that the distribution of the load is equitable. I will govern against the crisis, but at the same time I will implement the sectional political platform mandated by the electorate when their vote approved the seven synthesizing theses, the result of the public vote. We will make them a set of effective policies establishing, beginning now, the society defined by the national majorities. These electoral pledges will govern the government's actions and become a part of the national system of democratic planning.

Revolutionary nationalism will determine my behavior. It is the ideology which synthesizes our historic will to become a vigorous political, economic and social community. It is the consciousness of our identity and collective image. Revolutionary nationalism manifests loyalty to our traditions and customs. It is the affection for the nation where we were born, the sense of our history that seeks its roots in a democratic conviction, establishes the reforming might of the nation through the state and forces us to overcome everything that threatens our political or economic independence. Revolutionary nationalism is the Mexican's substantial, unifying effort to attain popular objectives. I will make every effort to strengthen it, will preserve its reforming nature and will reaffirm its extension in social justice.

Revolutionary nationalism, as a national project, survives and is strengthened in the consciousness of the new generations. Education is the nation's instrument for asserting it. By constitutional mandate, public education disseminates and establishes democratic attitudes, egalitarian objectives, the pride and defense of national independence. We will pay special attention to equality in education. We will favor the access of popular classes to higher levels of education and will organize a continuous and vigorous literacy campaign. More and better education for all is a demand of Mexico's cultural, technological and economic independence. Revolutionary nationalism is based on culture. We will protect it, nationally and regionally, for its preservation and enrichment. We will make our culture an instrument of individual and collective liberation. We will protect it in the face of the attacks of colonialism. We will encourage creative freedom and the people's enjoyment of cultural values. We will reinforce the knowledge of our history and pay tribute to the fatherland's symbols.

Strictly abiding by our laws, we will guide the use of social communications media toward these high goals.

Mexico's foreign policy is one of the instruments of our revolutionary nationalism. The affirmation of our identity makes it possible for us to deal with other peoples. Our values of independence, freedom, democracy and justice are projected abroad by the respect for ideological pluralism and the demand for a new international order. Without leadership aspirations, without dogmatism in accordance with historic conditions or false pragmatism without objectives or means, we will maintain a policy of principles, our principles, conscious of their limitations in a world full of selfish interests and paralyzing economic insecurity but also conscious of the fact that its continuous reiteration with firm diplomacy will act in defense of our values and objectives and of other nations seeking their development through independence and freedom. We will continue to maintain, with unswerving conviction the [principles of] the self-determination of peoples; nonintervention; peaceful solution of conflicts; political equality of states; disarmament so as to conserve peace; and egalitarian and efficient international cooperation. Isolation is not only anachronistic but impossible. Cooperation among free peoples is the only path to peace in an interdependent world. With a better internal coordination of our actions and strategies, we will participate in international forums and in bilateral actions for a greater effectiveness of our objectives and principles.

We will work to rebuild world economic and political security, to strengthen international institutions, which now are weak. We will work for peace and disarmament, for solidarity with the best causes of the developing world, for encouraging respectful and just relations with our neighbors, for the strengthening of Latin American brotherhood, for the just and peaceful resolution of Central American tensions with respect for their sovereignty and support for their development. We will consolidate the link between domestic and foreign policy because we propose a greater access to the benefits of international cooperation and we will serve, above all, the supreme national interest.

In order to strengthen the federal agreement, I respectfully invite the republic's Senate to direct its greatest dynamism to its faculties in matters dealing with foreign policy.

With legitimate pride, I assume the supreme command of the armed forces, fundamental institution of proven loyalty and patriotism, efficiency and indisputable professionalism. With unlimited attachment to the legal order and determined nationalist and revolutionary conviction, the country finds in the armed forces the best guarantee of its sovereignty and national defense. I will make every effort, to the extent possible, to supply them with the means so they may fulfill the high mission assigned to them by the Constitution and to guarantee to their members and families the standard of living demanded for the rest of the population. I will issue orders so that the armed forces, observing their internal discipline, participate in their field of competence in the national development plan.

We are committed to working for the integral democratization defined by our Constitution. We will strengthen the division of powers, federalism and the free municipality. We will respect pluralism and all forms of political association. We will listen to public opinion and its media with responsbility. We will not limit ourselves to the improvement of the electoral system. We will encourage democracy in all areas of social life, in the communities, barrios, unions and political associations. We will sponsor the organization of producers and consumers and the dialogue between union and enterprise to encourage productivity and establish better foundations for the redistribution of income.

We will constantly maintain open public consultation. I will convoke a public debate to examine the state of the process of political reform, the functions and integration of the republic's Senate, the citizens' participation in the government of the Federal District and legal reform. We will improve the system of information to the nation on the state of the country. I will keep democracy alive and dynamic in Mexico. The egalitarian society is an original demand, it is a permanent demand of the Mexican revolution. Social inequality continues to be one of the most serious problems in Mexico. The struggle for equality is a dynamic effort to achieve equity in the productive and distributive processes aimed at broadening capacities and opportunities. I reject populism which yields readily and causes society to retrench. We will struggle against inequality in a realistic, permanent and lasting manner. With renewed vigor we will seek equity. Each group and each individual must contribute according to its or his ability to give to someone else what belongs to him. We will strengthen the weak by training them without false paternalism and without demagoguery. We will review all instruments of economic and social policy according to their distributive impacts. We will look for efficiency in social expenditures, avoiding special treatment which leads to injustices. With all the means at hand, we will face up to the most serious inequity in the country, the gap between the countryside and the city.

As a fundamental concern, we will have to satisfy the basic needs of the people: food, housing, education, culture, recreation and sports. We will raise the level of the right to health services to a constitutional priority to make way for a solid and integrated national health system. We will assign priority to preventive medicine, particularly in rural areas and neglected urban areas. We will tackle the housing problem on all fronts: territorial reserves, administrative reorganization, new technologies, financing and support for self-construction.

In food supplies, we will assign the highest priority to the policies of production and supply, with stress on an adequate planning, efficient implementation and equity for producers, distributors and consumers. Beginning today, we will struggle against inequality but, in this case as in all others, I must be sincere with the Mexicans. As long as there is a crisis, we cannot advance quantitatively in the process of social justice. The immediate order of the day is the deterioration which aggravates the crisis day by day. To stop the crisis, to stop the deterioration is the first step. We will do it with equity in the weight of the costs by stepping up the qualitative reforms which would serve as firm support to advance more rapidly toward an egalitarian society as soon as possible.

The moral renewal of society will be a permanent commitment and behavioral norm of my government. I hope to gain, with my government's example and beginning with my own, the commitment of all Mexicans, from each and every sector, each union, to strengthen our values. The basic guide of this moral renewal will be the law, the synthesis of social moral values which the Mexicans have been developing.

We will update the constitutional foundations of the responsibility of public servants and we will propose a new law on this and reforms and additions to penal and civil legislation. We will introduce new forms in public administration to prevent, detect, rectify and, in some cases, punish immoral behavior of officials and public servants. I will propose systems which will put an end to illegal compensations and make public the incomes of government officials. I will regulate the benefits they have a right to and will prohibt the use of public property and services for their private benefit. We will avoid illegal deals in contracting public projects or services, in government purchases and those of its enterprises. I will not allow the use of public funds for personal political promotion by officials.

We will stop illegitimate use of official payrolls. We will prosecute illicit behavior in granting authorizations, permits, licenses and awards, in the inspection and observance of laws and regulations. I repeat, it is not compatible to serve in a public office and simultaneously operate businesses and activities which have direct relationship with government economic affairs. This duality is immoral. One either governs or engages in business. Public offices should be no one's booty. [applause]

We will improve the administration of the state's resources. We will strengthen the systems of control and surveillance of public administration. In order to fulfill the goal of making the republic's government become a pattern for behavior, I will propose the creation of Federal Comptroller General's Office with the rank of state secretariat to systematize and strengthen the various operations of inspection, control and evaluation of public administration. We will struggle vigorously and determinedly to obtain this new tool.

I hope there will be a dynamic and vigilant attitude on the part of the Chamber of Deputies and its accounting office with respect to the programs and budgets of the federal executive branch.

The moral renovation of society is a challenge for all Mexicans. We cannot allow the nation to weaken and decline. Our problems are so serious that only with a renewed morality will we be able to overcome them. The Mexican people are profoundly moral and demand that I punish all forms of corruption. I will do so. I will govern by example.

The people should have the means to claim their legitimate rights from the government. At this time, I am issuing orders to the republic's attorney general to call public meetings to seek opinions which would make it possible to prepare bills and promote actions to provide society with a better system to administer justice and public security. We will moralize and modernize the federal authorities and the police of the Federal District. This is a popular demand throughout the country. We will have to take action soon. The police must be a guarantee of security and tranquillity for the citizenry and not the cause of its violation. We will seek agreements with the states to support them in similar tasks. The people have a right to personal and family security. We will see to it that this is the case.

We will work for the decentralization of national affairs. It is impossible to seek the republic's vitality without putting an end to the participation of negative entities in the definition and implementation of tasks demanded by national development. We will fight centralism which burdens and inhibits energy and profound actions. Making a national demand my own, I have decided to propose the transfer to local governments of preschool, primary, secondary educational systems and teachers' training which the federal government sponsors throughout the country. The corresponding financial resources will also be transferred. Sound reasons of a pedagogic, academic and administrative nature require that we return to the scheme of the original educational system written in the 1917 Constitution in which the responsibility for basic education rests with the local and municipal governments. The federal government will retain the guidance and evaluation functions which it will exercise through the Secretariat of Public Education. The labor rights of the teaching staff and its union autonomy will be scrupulously respected.

I respectfully invite the state governors to participate determinedly and with enthusiasm in this new new phase of strengthening federated entities. The validity of federalism is everybody's task, not only that of federal officials. I know we will have their valuable support. I invite the national teaching staff, a tireless fighter in the tasks of nationalist reforms, to cooperate in this movement of decentralization. The nation will emerge stronger.

The decentralization of national affairs will be based on the vigor and initiative of the provinces. We will decentralize the public health services to bring them closer to those who benefit from them. We will propose immediately to local governments to establish agreements so that they may take over programs in other fields. We will revise the scheme of distribution of jurisdiction to attain a better distribution of obligations among the three branches of the government.

We will advance in the consolidation of the free municipality. Political autonomy depends on economic sufficiency. We will initiate reforms to Article 115 of the Constitution, proposing the assignment to the permanent constituent sources of their own untouchable income for the municipalities, so that they may take care of the public services which are in their jurisdiction. In doing so, we will fulfill a generalized demand made during the elections. The time has come to establish the conditions for the states and municipalities to depend less on federal allocations and more on their own fiscal efforts. Soon we will invite the country's fiscal authorities to delineate jointly a new plan of distribution of allocations in this field.

One of the great challenges to decentralization is the intolerable growth of Mexico City and its metropolitan area. It has become necessary to act with energetic measures to limit the area's accelerated growth, offering other options of settlement. We will protect the quality of life in our capital which is suffering from macrocephalic growth. We must combat this serious determination. The serious problem of transportation deserves special attention.

The people have declared themselves in favor of a strategy of development, employment and combating inflation. Together with those immediate policies, we will undertake others which will deal with and favor structural changes required by our economy. We will combat failures, insufficient domestic savings, low productivity, insufficient competitiveness of our products abroad and social inequality. We will do this with profound and persevering actions.

We will give priority attention to the Mexican peasant. We will diversify employment opportunities by stepping up agro-industrial [development]. We will make rational use of products from agriculture, forestry, livestock and fishing. We will provide a feeling of security to land ownership. We will provide support to areas hit by hurricanes, and we will carry planning activities to the countryside. We propose broader social development in Mexican agriculture. We will democratize, modernize and make efficient the administrative entities charged with agriculture. We will mercilessly fight all corruption which fleeces the Mexican peasant. We will advance production and justice in the countryside.

Energy is an inalienable patrimony of the nation. We will continue to use oil as a support in our path to development, taking care that it is used rationally to the benefit of present and future generations. I do not consider oil to be a panacea which will save us effort in other aspects of our development, but I will give special attention to adequate planning and efficient and honest operation of our oil industry, the main pillar of our economic nationalism. In the same vein, we will attend to our electric industry.

We will modernize the parastate, private and social industrial plants with a view to higher productivity, avoiding waste, incorporating technical changes and maintaining national priorities. The international economic instability demands, if we want to preserve Mexico as a sovereign and viable country, that we strengthen our domestic market and, in addition, enter efficiently into the world's commercial currents. We need to carry out an authentic technological revolution of productivity. We will spare no effort in this pressing transformation.

We will give attention to ecological problems and the preservation of the environment to improve the quality of life, and protect man and natural resources. We will reinforce national ecological awareness, a requisite for the defense of our environment.

I will not only govern in the face of today's adversity. I know the present and future needs of my compatriots. I will govern with determination for the future well-being of Mexicans. We will work for our children and our children's children. Let us safeguard and make better the fatherland we want for them. We can and must do it.

A political system incapable of consistently articulating social demands is condemned to failure. The actions of the state come from planning as a result of the coherent purposes, wishes and expectations of the majority of its society. The plans, to be democratic, should incorporate the vitality and creative participation of the civilian society and receive the enthusiastic and fruitful participation of all Mexicans in the great national tasks which cannot just be tasks for the government.

Within the next few days, I will submit to this honorable Congress a bill defining a national democratic planning system. With it, we will bring together federal entities and municipalities into our mixed economy system with respect for regional sovereignties and interests in order to strengthen the united action of the nation. We will institutionalize a permanent process of popular consultation which will adapt the plan to changing conditions and establish a permanent evaluation of public officials by their supervisors. This bill is based on the constitutional principle of state stewardship. Governing officials cannot shirk their responsibilities or the specific mandate given by the people. On this basis, we propose to establish mechanisms to listen to the opinions of sectors, organizations and general public and get them to participate effectively in the decisions made. Under this scheme, in May of this year, I will present to the country the 1983-1988 national development plan.

Honorable Congress of the Union; Mexicans: I demand arduous efforts and solidary responsibility from all Mexicans. The country's economic conditions will demand great sacrifices in the immediate future. But we will attend to the basic needs of the population. We will restore the economy to health. We will comply with our foreign commitments and we will hold strictly to the free and democratic functioning of our society and state.

I cannot, in the immediate future, offer significant quantitative changes or sudden improvement of the situation. In order to get over this crisis we must work, produce and save with greater intensity and quality than ever before. But within this framework of severe limitations, we intend to implement the reforms which will profoundly change the nation. This is the challenge and this will be the victory.

We will not get over this crisis by aspiring to return to the conditions prior to it. The efforts and sacrifices would not be justified nor would the people accept it. We are going to build a different and better era in our history. We are not going to get over this crisis by fixing consequences. That way we would just make it a recurring crisis. We will get over the crisis by getting rid of the causes which produced it and by implementing the qualitative changes that will carry us into a new society. We have the wherewithal to do it. We have the principles, institutions, political will and a country well endowed with natural resources and unyielding love for the fatherland.

We will make qualitative changes in our democratic life. Let us move ahead determined and fearless toward greater levels of popular participation. The state is organized society and not a separate part of its content.

We will not exercise state control over society, that would be totalitarianism. We will seek changes that will bring the vitality and creativeness of civil society to state structures and from the state, with respect for liberty and with the unbending commitment to justice, we will drive for the integral development of society and the individual.

We have progress in political democracy. Let us now propose to do it better in social democracy to break down the barriers of limited participation and of forms outside society. No longer just the state, but rather society united with the state. The priority is mankind.

We will implement changes in conduct. We will renew social morality. I will use my full authority. I will make each and every one of my aides meet the highest standards of public honesty. In this regard there will be no deals or tolerance. The public administration's contribution will be new laws and an unyielding political will. A new civic awareness, which we are going to promote in all the communication and social education media, will be the basic guardian of the public morality of the leaders and the people.

We will promote the meaning and value of work, discipline, perseverance, savings, civic responsibility, awareness of solidarity and common destiny, appreciation for what is ours, pride in being Mexicans, and love for the fatherland. These are not just concepts or phrases. These are the patterns of behavior which have allowed us to be what we are and the patterns we have to improve if we wish to finally become a prosperous nation in every respect and capable of insuring independence, freedom and justice for all of us.

We will reestablish confidence in Mexico and in ourselves. In view of the difficult circumstances affecting us, we will restore confidence based on the belief of every individual and every group in their inviolable rights and in the awareness of their great responsibility. Respectful of these values, each one of us is capable of doing his duty and will do his duty because this is the general conviction.

In the face of history, let us strongly affirm our confidence in national greatness and in our indestructible future. Suffice it to recall that we have forged a nation of free men from a structure of colonial domination and oppressed people, that we have forged a developing society in face of every kind of threat within, adverse geography and a poor society. Suffice it to recognize that we are respected in the entire world as an original and independent people. We will come out ahead reaffirming our confidences in Mexico.

As president of the republic, I will do my part to the limit of my ability and with the full awareness of the supreme duty of serving the nation. I will speak the truth. I will tell the people what can be done and what cannot be done. I will tell about the achievements made, I will tell about the failures and the reasons for them, demanding responsibility and recognizing the limits imposed on us by circumstances.

I will govern with realism committed to principles; with realism in the analysis and the design of practical policies to widen the areas of action. I will govern with imagination, but I will avoid fantasy.

I will govern for all Mexicans. The interest of the people will be my guide and their rights the limit of my authority. I will govern without forgetting the indestructible commitment to the national majorities: the peasants, workers and the middle class who supported me with their votes.

I will govern with the popular force of a revolutionary movement which established along with social rights, individual freedom and political and social pluralism, rights which we will enforce with the same popular force, a force which is democratic and liberating. I will govern with the power of the Mexican men and women. I will govern with the vitality and idealism of the young.

Countrymen, today we are going to start the task of national recovery, on our feet, with enthusiasm and vigor, ready to make the sacrifices demanded of us by the times, ready with generosity and patriotism to continue the feats of Mexico, the Mexico of the past full of heroism, the Mexico of the future rich in potential -- our Mexico, the everlasting Mexico. Long live Mexico. [applause]

GOVERNMENT ORDERS TAKEOVER OF MEXICANA AIRLINE

PA301340 Paris AFP in Spanish 1321 GMT 30 Nov 82

[Text] Mexico City, 30 Nov (AFP) -- One of the last actions of Mexican President Jose Lopez Portillo's administration was to order the takeover of the Compania Mexicana de Aviacion, which had been on strike for the last 30 days, early this morning.

Tomorrow Lopez Portillo will turn power over to Miguel de la Madrid, who will govern until 1 December 1988.

The airline, regarded as the most important one in Latin America, was recently bought by the Mexican Government.

The company's first flight after its long strike was scheduled for 0500 today, destined for Los Angeles, California.

Civil Aeronautics Director Fernando Silva has been appointed as director for general administration following the takeover.

BANK OF MEXICO BECOMES CENTRAL CREDIT INSTITUTION

PA301517 Mexico City International Service in Spanish 0200 GMT 30 Nov 82

[Text] The Bank of Mexico has a new institutional law. It ceased to be a stock company and became a central credit institution today, the only one authorized to issue paper currency in the country.

This information appears in a decree issued by the office of the secretary of finance, which was published today in the official gazette. The decree establishes that the Bank of Mexico is the only institution authorized to issue paper currency, to open lines of credit, to give loans to national credit institutions and to establish the country's exchange control laws.

The decree also establishes that the administration of the Bank of Mexico will include a board or directors and a general director who will be appointed directly by the president of the republic.

ILLUECA CALLS FOR UNITY AT UPEB CONFERENCE

PA280550 Panama City Domestic Service in Spanish 2021 GMT 27 Nov 82

[Speech by Vice President Jorge Illueca at the opening session of the Ninth Conference of the Union of Banana Exporting Countries at the Holiday Inn in Panama City on 27 November -- live]

[Text] Mr President, Union of Banana Exporting Countries [UPEB] ministers, Ecuadorean ambassador, gentlemen observers and advisers, technical officials of the organization: Being host country for the Ninth UPEB Extraordinary Conference is an event that pleases the Panamanian Government and people who, through me, extend their most cordial welcome to the delegates and observers of the fraternal countries represented here.

Panama is participating in this ministerial meeting with the same decisiveness and will with which in 1974, during the banana price war, it helped create, with the help of other governments of the area, the UPEB as a means of standardizing the banana policies of this area's countries and put into effect a joint strategy intended to stabilize, strengthen and develop the banana industry.

Within the serious circumstances faced by the international economic situation, we must agree that the putting into effect of this ambitious integration project was a positive step. The joint work of we who form the UPEB has helped all our members in the difficult task of defending this industry in the face of the damage caused by the economic crisis. This once again demonstrates the potential for development that this organization will be able to achieve after we have overcome the current emergency together.

In this current situation, despite our joint efforts, the price of bananas on the international markets has dropped to the lowest level of the past 3 years. At the same time, production costs have increased at a rate that makes this basic activity for the economies of our countries less profitable. This is the same problem that is seriously threatening production in most other Third World countries.

The industrialized powers make the effects of inflation and recession -- generated by them -- hit us harder. They increase the price of their export products, lower the prices of our basic products and arbitrarily increase finance costs. The effects of this policy on the banana industry bring about a crisis that threatens to increase unemployment, lower foreign exchange income and even promote the economic, political and social destabilization of our countries with unpredictable consequences.

Paradoxically, in a world where many millions of people are afflicted by hunger, the instability of the banana market is caused by a relative oversupply of the fruit. This is due to the control exercised by three transnationals that control approximately 80 percent of the world exports. This is nothing new for the countries that in 1974 faced what back then was called the banana war, unleashed by those transnationals with an aggressive disinformation policy, threats of withdrawing from certain areas, dumping and heavy pressures on governments. We have also witnessed the migratory policy of these transnationals that leave one country to operate in another, bringing about circumstantial profits for the nation temporarily chosen, to the overall detriment of the industry, in line with the interests of those transnationals. Now, once, again, this phenomenon is repeating itself, with the local consequences of which we are already aware.

The situation becomes worse when a political color is painted on the decisions of the transnationals, such as in the case of Nicaragua.

This incident demonstrated the efficacy of the Multinational Banana Marketing Corporation, Comunbana, mechanisms to assist this fraternal country during a difficult and unfair situation to which it was irrationally subjected. This example gives good reason to reiterate the repudiation against economic aggression already established in the Latin American system, and this also reaffirms the need to reject the idea that in the agro-industrial sphere, Latin America is a large farm for the transnationals, which don't honor the democratic principles of their country.

We continue learning the hard lessons of experience. Therefore, we will not stop insisting that an attack against a country that is an UPEB member is an attack against all UPEB members. Joint action is absolutely necessary to prevent each of the producing states from being subjected to the same kind of treatment. Sooner or later their turn will come according to the schedules of the transnationals that cultivate lands belonging to others to control the product internationally and that wage price wars and at the same time bring hunger, unemployment, poverty and economic and social destabilization to our countries.

During these years the governments have learned that the permanent crisis affecting the banana industry can only be solved with workable and effective means to regulate the fruit's supply and demand. The wiser sectors of the political and economic leadership of the highly developed nations should realize that such a chronic crisis is also detrimental to them, that it is to their overall interest in helping establish and develop the industry. We must be able to make them understand this situation.

After 8 years of analyzing the best alternatives for a world banana agreement that may benefit all producers in the market, you meet here again to adopt an important decision for the future of this regional industry and for the future of millions of persons who are in one way or another linked to the industry. We know that it will be difficult to reach such a settlement, however, we face an unpostponable decision, on which lies the future of this basic activity of our countries.

UPEB has drafted a precise description of an international agreement which may permit the establishment and improvement of the fruit's actual export prices. UPEB's leadership is essential to find an effective mechanism. Without UPEB, whose member nations export approximately 50 percent bananas for sale on the world market, there can be no banana agreement, therefore, it is important to the industry that this issue be discussed within the organization with the required scope, information and objectivity in order to adopt such an important decision. We hope that, for the benefit of all concerned, this organization can count on the participation of one of the main banana producing countries, such as Ecuador.

The irresponsible price war, waged by the transnational firms that control the international banana market, harms the producing countries because it seeks maximum profits, minimum costs and control of the market. These companies, spurred by their monopolistic eagerness, do not stop to consider the serious political, social, economic and spiritual harm their excessive desire for profit causes to the socio-economic structures of our countries.

The social scientists, who cooperated with the bishops discussing the problems of Latin America in Puebla, would brand the United Brands Company's threat against Panama a conspiracy to create a relation of injustice. I must say that within the framework of the difficult general situation of the banana activity, Panama faces at this time a threat by the United Brands Company transnational to abandon approximately 1/3 of its plantations on the Panamanian Pacific Coast, leaving over 1,000 workers jobless.

Threats such as these can only be met in the degree to which our countries maintain a coordinated banana policy and create a common front to keep the transnationals from blackmailing each of us by threatening to move their operations to another country of the organization.

With your support and the coordinating function of UPEB's executive leadership as well as our government and workers, we shall meet the threat and defend our right to produce the fruit, regardless of the market conditions, for which we are not responsible.

Panama has tried to properly comply, and enforce compliance with the contracts on banana production, authorized by law No 5 of 1976. Under the present circumstances, we consider it our duty to declare that the Panamanian Government will demand that United Brands comply strictly with these contracts and, specifically with the operations contract signed in January 1976 between the nation, then represented by Gen Ruben Dario Paredes, as agricultural development minister, and United Brands.

We shall demand full compliance with Clause 26 which establishes, and I quote: That the company shall keep the nation informed concerning the plans, measures, policies and other decision referring to the Panamanian production of bananas and other farm products. Panama will participate in the adoption of the previously mentioned decisions and may object them whenever they in any way affect, tend to reduce or discriminate against the banana production in Panama.

The company is not authorized to adopt unilateral decisions; consequently, the Panamanian Goverment, according to the contract, shall object any unilateral decision by the company that may in any way affect, tend to reduce or discrimate against banana production in Panama, with the understanding that the company must realize that its operations in the Pacific sector cannot be treated separately or differently from its operations in the Atlantic sector because all its activities in the republic are regulated in the operations contract.

We believe it appropriate at this time not only to reiterate our traditional and decisive support of UPEB, but also Comunbana, a pioneer enterprise in Latin America. Comunbana was born out of UPEB and will soon celebrate its fifth anniversary.

Comunbana appeared as an alternative to the transnationals so that our countries could export their bananas under more favorable conditions, marketing part of the fruit of its partners and increasingly participating in the market benefits. However, this organization has not consolidated itself due to the boycott imposed by the transnationals since its first shipment and due to the weak political support offered to the company which, as an instrument of marketing, should be provided with fruit by all its partners.

On this occasion, Panama reaffirms its full support for the political philosophy and actions of UPEB and Comunbana, because the interests of our countries and the fate of our peoples take precedence over the benefits of the foreign shareholders of those companies who are indifferent to the needs and rights of the men of those countries that make the production of the fruit possible.

Despite the adverse circumstances, UPEB and Comunbana are examples of the new paths Latin America is opening along the route traced by our liberators toward the unity and integration of our peoples. This ministers conference is also evidence of the legitimate aspirations of our countries.

We trust that this conference will end with the adoption of principles that will serve as foundation to the drafting of mechanisms which shall regulate the banana market. We are sure that such mechanisms will be achieved with the valuable cooperation of UPEB's executive leadership and council.

A noted Third World statesman has said that our countries share a relationship of dependence rather than interdependence, in regard to the developed nations because our economies are byproducts; our economies are subordinate to the industrialized North and directed toward the external sector. The Third World nations aspire to achieve their liberation from foreign domination. This is the basic meaning of the new international economic order and unity is our only liberating instrument.

In conclusion, we wish to voice the great hope and faith our peoples have in the debates opening here today and which we are honored to declare in session. We cast our vote for the success of your efforts and we want you to feel at home in Panama; we want you to be certain that you will receive our fraternal warmth and cooperation, knowing that all of us are sincerely convinced that the sentiment of unity and integration proclaimed by our liberators should serve as guide to all our efforts to solve our problems as Latin Americans, as Central Americans and as brothers. Thank you.

Remarks Criticized

PA291857 Panama City LA PRENSA in Spanish 29 Nov 82 p 1A

["As of Today" column]

[Text] Concurrently with the ninth conference of agriculture ministers of the Union of Banana Exporting Countries, UPEB, it has been announced that United Brands will reduce its operations in Chiriqui. The meeting of UPEB leaders should not serve as a forum where this problem, which affects thousands of Panamanian workers, will be discussed in demagogic terms since, far from helping solve the problem, such discussion will complicate it further. Some years ago some process officials proclaimed "the banana war" and with heated words tried to confuse the public by turning a simple export tax into a problem of national sovereignty which was later solved with discreetly negotiated agreements that allowed the banana operations to continue. The situation arising from the announced suspension of banana company operations in the Pacific sector is a serious matter. The economy is already too badly damaged for us to add another blow that will decrease employment, exports and income, thus affecting thousands of workers who have no job alternatives. The fact is that Vice President Illueca's statement, coming at a time when the government and the banana company have begun negotiations to avoid this closure, contributes nothing to achieving an understanding between the parties involved. It is not very easy for a company to nonchalantly abandon an enormous investment. There must be valid reasons behind all this; therefore, this delicate matter should be handled seriously and with a high sense of patriotic responsibility.

PAREDES SUPPORTED BY RADIO MIA OWNER

PA011800 Panama City MATUTINO in Spanish 1 Dec 82 pp 3-B, 2-B

["Morning Bulletin" column by Fito Aguilera]

[Excerpt] The fact that Ricardo Arias Calderon, president of the Christian Democratic Party, has proclaimed himself the single opposition presidential candidate for the 1984 elections has led many of Gen Ruben Dairo Paredes' sympathizers to announce publicly that they will support Parades' candidacy regardless of who launches it.

One of them is radio broadcaster Ramon ("Monchi") Pereira, who has developed a nationwide audience through his station "Radio Mia."

Pereira has become noted because of his sincerity, civic courage and the fact that he does not "mince words" when it comes to telling the truth. He said recently that he will begin working right away and openly for the general's candidacy, and this means Paredes has obtained valuable political support. From the looks of things, Parades will win "from start to finish" in the presidential classic to be held within 2 years.

TORRIJOS' SISTER ATTENDS MEXICAN INAUGRATION

PA301826 Panama City CRITICA in Spanish 30 Nov 82 p 22

[Text] Mexican President Miguel de la Madrid will assume office during a simple ceremony that will be attended by the diplomatic missions accredited to Mexico and by select delegations that include internationally renowned writers and economists, nobel laureates and outstanding political leaders.

A special invitation has been sent to Berta Torrijos de Arosemena, president of the PRD [Democratic Revolutionary Party], to represent Panama, which international analysts view as a way of honoring "Torrijism" as a political phenomenon that transcends Panama and reflects positively on other countries.

Mrs Arosemena will be leaving today to attend the Mexican president's inauguration, after touring the provinces of Los Santos, Herrera, Veraguas and Cocle for a week on behalf of the PRD.

BRIEFS

AMBASSADOR TO CHILE -- Santiago, Chile -- Ricardo Moreno Villalaz, Panama's new ambassador to Chile, has presented his credentials to Chilean acting Foreign Minister Col Ernesto Videla Cifuentes. The ceremony took place in the Red Room of the Chilean Foreign Ministry. [Panama City CRITICA in Spanish 25 Nov 82 p 25 PA]

COSTA RICA

ADDITIONAL REPORTAGE ON REAGAN VISIT PREPARATIONS

Leftwing MRP Criticism

PA012300 Managua EL NUEVO DIARIO in Spanish 27 Nov 82 p 12

[Text] San Jose, (ANN) -- In a communique issued in San Jose, the Peoples Revolutionary Movement (MRP) said that President Luis Alberto Monge and Foreign Minister Fernando Volio are confused about the identity of the adversary which is neither the people of Nicaragua nor the peoples of El Salvador, Guatemala or Honduras.

Referring to U.S. President Ronald Reagan's visit to Costa Rica on 4 December, the MRP, which is led by Deputy Sergio Erick Ardon, indicated that "adversaries are those who divide and seek to confront the Central American peoples. Adversaries are those who betray Central American ideals."

The MRP, one of the country's two main leftwing organizations, accused the United States and particularly President Ronald Reagan of promoting a policy that supports the tyrannical and rightwing regimes of Central America.

Meanwhile, it added, the United States "denies credits to Nicaragua and boycotts Nicaragua economically. The United States publicly admits that it has allocated $19 million to finance the Somozist bands and destabilize the legitimate Nicaraguan Government, while with Honduras it is staging provocative military maneuvers near Nicaraguan territory."

Union Group Calls for Protests

PA020352 Managua Domestic Service in Spanish 0300 GMT 2 Dec 82

[Text] San Jose -- In a mass demonstration this afternoon, various Costa Rican union organizations placed laurel wreaths with black bands on the national monument as expression of rejection and condemnation of U.S. President Ronald Reagan's visit to Costa Rica on Friday.

The United Workers Federation of Costa Rica has called on all the union organizations to hold mass protests on Thursday, Friday and Saturday in front of the national monument to condemn the arms race that the Reagan administration is promoting in Central America, to the detriment of regional peace and the well-being of the people.

Deputy To Deliver Critical Note

PA020205 San Jose Radio Reloj in Spanish 0100 GMT 2 Dec 82

[Text] Deputy Sergio Erick Ardon Ramirez will deliver a written note to the U.S. President on Saturday at the national theater. The document says:

You, Mr Reagan, have come to Central America as the main standard bearer of all the political, economic and military forces that inside the area and abroad have historically supported the strengthening of regimes that have kept our countries in a state of misery, injustice, and oppression.

The document adds: You are far from measuring up to that great U.S. citizen, Abraham Lincoln, who in an historic speech said that a democratic government is a government of the people, by the people and for the people.

Cariari Hotel, Zapote Restricted

PA020228 San Jose Radio Reloj in Spanish 0100 GMT 2 Dec 82

[Text] Beginning on Thursday, the Cariari Hotel and the area surrounding it will be part of U.S. Embassy territory. This decision was made by the Government Council in view of U.S. President Ronald Reagan's visit and to guarantee the security of the visitor and his retinue.

In addition, the Zapote area has been restricted because the main events in which Reagan and Monge will participate will be held at the presidential palace.

Reagan will address the U.S. people on Saturday over a radio and television network. The message that Reagan addresses to his people every Saturday will be broadcast from the presidential palace in Zapote.

Monge will also address the Central American countries. He will reiterate the Costa Rican decision to maintain peace, freedom and the right of the peoples to choose their rulers.

It was learned at the Legislative Palace that a large number of deputies might not attend the national theater ceremony. All deputies were invited to the national theater to attend the protocol events on occasion of Reagan's visit but the legislators are upset because they were told that as a result of the security measures which have been adopted, they might experience certain inconveniences when they enter the theater or inside it. In view of this, the deputies drafted a letter to the presidency minister, but it wasn't delivered because one of the deputies crumpled and burned it.

MEXICO BACKING HIGH-LEVEL MEETING WITH NICARAGUA

PA020400 San Jose Radio Reloj in Spanish 0100 GMT 2 Dec 82

[Text] Mexico is promoting a meeting between Costa Rican and Nicaraguan ministers in order to ease tensions in the relations between the two governments. Conversations in this regard were begun by PRI leader Jorge Ojeda Paullada after he visited Costa Rica and Nicaragua and after he heard President Luis Alberto Monge's concern about the behavior of the Sandinist government. Although the subjects that would be discussed in such a meeting are unknown, it is presumed that the parties would seek to prevent the total deterioration of relations, which have been seriously affected by armed Sandinist incursions and the controls established on the San Juan River.

The Mexican proposal is aimed at getting Nicaragua to guarantee complete neutrality in Costa Rica's domestic affairs in accordance with current treaties. It is also aimed at having both countries promise not to let their territories be used by movements seeking to subvert order in the other and at having each government establish strict controls to guarantee neutrality in the other's domestic political affairs. So far it is unknown whether the meeting will be held but a tentative date of the third week in December has been set.

Costa Rican Vice President Alberto Fait has said that discussions have been held regarding the Mexican Government's proposal for a meeting of ministers of the two countries. However, he said that nothing has been decided. He did admit that the proposal must be studied and that a clear agreement to avoid tensions would be very beneficial. Fait also said that on one occasion he has spoken with Nicaraguan Government envoy Jose Leon Talavera regarding this proposal of the Mexican Government.

For the time being, President Luis Alberto Monge has no details of the possible meeting of Nicaraguan and Costa Rican ministers which would take place at the border in Penas Blancas. Nevertheless, Fait said that he will give a detailed report to the president and that President Monge will decide whether or not the meeting will be held. According to reports, some ministers do not want to participate as long as Nicaragua's war of words against Costa Rica continues. So far, it is known that Foreign Minister Fernando Volio will not attend that meeting because he will be abroad on the date for which the meeting has been planned.

TALKS WITH NICARAGUAN OFFICIAL ON SECURITY CITED

PA011530 San Jose Radio Reloj in Spanish 1200 GMT 1 Dec 82

[Text] Deputy Interior Minister Commander Rene Vivas visited Costa Rica yesterday to begin talks with Costa Rican authorities in an effort to improve bilateral relations in the area of security. Commander Vivas said that the meeting will serve to bolster bilateral efforts to ensure territorial defenses.

Vivas added that several agreements were reached, though both the Nicaraguan and Costa Rican officials refused to reveal their contents.

Costa Rican Security Minister Angel Edmundo Solano told the local press that he endorsed yesterday's activities by the Costa Rican and Nicaraguan missions. In fact, he explained, it was all part of the policy designed to improve bilateral relations, while noting that the Security Ministry is constantly working to improve relations with all nations, based on the premise that Costa Rica will not permit itself to be used as a base for organizations acting against any country. Finally, he said that Costa Rica will continue to be free and sovereign.

Commander Vivas expressed confidence that the Costa Rican authorities would not permit any act of aggression against his country and reiterated Nicaragua's determination not to be used for the organization of any kind of attack on Costa Rica.

Vivas noted that his visit has nothing to do with U.S. President Reagan's trip to Costa Rica, saying that it is merely a coincidence. He said that any Costa Rican activity dealing with Reagan's visit it our own problem, about which he has no comment.

Costa Rican Deputy Security Minister Johnny Campos said, in turn, that Costa Rica has never believed that Nicaragua is a menace to our country, declaring that Commander Vivas' visit confirmed the traditional friendly relations between the two neighboring peoples and consolidated liaison on security matters, which is essential in guaranteeing the Costa Rican government's neutrality. Campos added that such exchanges will continue in the future.

Campos reported that Nicaragua has no specific information on the existence of anti-Sandinist camps in Costa Rica, noting that whenever such information is received, our civil forces are sent to investigate and to take whatever controlling measures are necessary to dismantle them, should the information prove true.

However, he continued, Commander Vivas had no specific information in that respect. He pointed out that the Security Ministry, nonetheless, will continue to patrol the northern sector and that should such camps be found, they will be subject to Costa Rican laws.

Managua: Meeting 'Significant'

PA020219 Managua Radio Sandino in Spanish 1830 GMT 1 Dec 82

[Text] Those who participated in a San Jose, Costa Rica, meeting between Brigade Commander Rene Vivas Lugo, deputy interior minister, and Costa Rican Public Security Minister Angel Edmundo Solano as well as Col Johanny Campos, deputy public security minister, described it as a very significant step toward the consolidation of bilateral relations. In a statement to the San Jose press, Colonel Campos said: We've never believed the Nicaraguan Government has threatened Costa Rica. He also noted that this meeting consolidated the friendship between the two peoples and governments which are brothers and friends.

According to the San Jose press, the attempts to improve bilateral relations have basically come from the Public Security Ministry and yesterday's meeting was an example of these attempts. Costa Rican Deputy Foreign Minister Ekhart Peters; Jesus Fernandez, Costa Rican Ambassador to Managua; Solano, Camps; the senior officer of the Public Security Ministry; the chief of the public force and the ministry's legal adviser attended the meeting on behalf of Costa Rica. The Nicaraguan delegation was made up of Vivas Lugo; Deputy Commander (Fernando Caldera); Augusto Cesar Zamora, legal adviser of the Foreign Ministry; and Rogelio Ramirez, Nicaraguan ambassador to San Jose.

Solano commented that the series of meetings so far are part of a policy to improve relations between Costa Rica and Nicaragua which must be developed regardless of the differences between the countries' political systems. He announced that there will be other such meetings. Solano reiterated that the Costa Rican territory will not be used as the base for acts against any country and noted that no other country will be allowed to interfere in Costa Rica.

For his part, Commander Vivas Lugo remarked that these meetings are part of an effort to maintain the best relations and to guarantee the defense and security of the two nations along their common border. He stressed Nicaragua's decision to increase the ties with Costa Rica and to improve our relations.

EL SALVADOR

MEANING, IMPACT OF REAGAN VISIT ASSESSED

PA012226 San Salvador EL TIEMPO in Spanish 30 Nov 82 pp 3, 12

[Excerpts] U.S. President Ronald Reagan's trip to American countries, including Honduras and Costa Rica, has elicited utmost interest and actually constitutes a historic landmark in U.S. relations with these tropical democracies whose survival depends on current developments and on the character of our relations to the United States. The "policy of dependence" has replaced Henry Kissinger's domino theory because, rather than bolstering dictatorships, the United States is now trying to build a strong wall against the advance of the communist ideology even if this means -- although the fact is not openly admitted -- an veiled tolerance of certain socialist tendencies albeit not of the extreme leftwing. Among the countries that the U.S. President will visit, Brazil is probably the most important, as far as bilateral relations concerned. This is because this "continent within the continent" or southern colossus as it has been called, is at present a bastion in the process of democratization which the United States is promoting in Latin America within a framework of unprecedented meddling which, if not justified, is at least explained by phenomena such as the loss of Cuba from the U.S. sphere of influence 22 years ago. That loss gave rise to an unrealized and unrealizable plan known as the Alliance for Progress.

Things being as they are, Reagan has proposed an assistance plan for Central America and the Caribbean, to cover a 2-year period and involving $350 million which would -- it is supposed -- prop up the weakened economies of nations impoverished for a thousand reasons, including the low prices the United States pays for our exports, a fact which is also considered in the previously mentioned plan.

At the same time, the personal visit by the U.S. President confirms the interest in bringing these countries out of their state of unproductive lethargy, while preventing them from slipping over to their neighbor's backyard and keeping them within the Western democratic system. Complementarily, in this same system, Pope Paul II is also working to strengthen spiritual links because, like the powerful northern country, the broad field of ecclesiastical influence wants to influence, rather than to be influenced by, the mental development of new generations which are growing up immersed in a state of constant and increasingly acute social frustration that is converting people into heretics, atheists and, justifiably, seekers of happiness on earth, since the religious doctrines offer such happiness only in another world that is not only scientifically improbable, but also quite invisible.

However, Reagan will also talk with the Central American presidents and will have quite a bit of material for subsequent analysis. There are differences, despite the basic indivisible links, in the conditions in which the peoples of Guatemala and Honduras exist. There is also a difference between the guerrilla struggle that saturates El Salvador with deaths every day and the seesawing situation of tension in Nicaragua, so much so that it is not possible to know what is being sought and where they are really headed. Costa Rica is itself an object of U.S. attention and concern, because the silver platter that is always represented is beginning to show some tarnish and it is being realized that, despite Costa Rica's lack of an army (at least of a traditional one) and despite its much vaunted peace, the situation there is now deteriorating and, moreover, is aggravated by an exorbitant foreign debt that the country is not likely to overcome in this century.

What, then, will Reagan propose and what will be the direction of his immediate talks with the Central American political leaders?

Undoubtedly, mandatory topics will be internal security, human rights (phrases which sound more empty every day), economic aid, markets for products from the isthmus, military assistance, the isolation of Nicaragua, the status of a listing bloc in support of the U.S. positon and many others. Only a portion of what is broached and stated will be released to the public, but the repercussions will undoubtedly be noted soon.

GUATEMALAN PRESIDENT EXPECTED TO VISIT 2 DEC

PA020140 Panama City ACAN in Spanish 0039 GMT 2 Dec 82

[Text] San Salvador, 1 Dec (ACAN-EFE) -- Official sources reported today that Guatemalan President Gen Efrain Rios Montt will visit El Salvador tomorrow, Thursday. Neither the Salvadoran Foreign Ministry nor the Guatemalan Embassy in this capital have confirmed the president's time of arrival nor did they indicate with whom he will meet.

Rios Montt will meet in San Pedro Sula in northern Honduras with U.S. President Ronald Reagan on Saturday, the day after Salvadoran President Alvaro Magana meets with the U.S. President in San Jose, Costa Rica. Various political and military personalities of the continent have also arrived to meet with officials of Magana's government and army commands.

Thomas Delworth, Canadian under secretary for external affairs, arrived in this capital today. He will meet with Maj Roberto D'Aubuisson, president of the Constituent Assembly, and with Msgr Arturo Rivera y Damas, apostolic administrator of this capital.

Rear Adm Sayre Swartrauber, director of the Inter-American Defense College, was expected to arrive this afternoon, as is Lt Gen John McEnery, chairman of the Inter-American Defense Board.

Huber Matos, exiled Cuban political leader, also arrived in El Salvador to meet with Salvadoran politicians and military men.

GARCIA PROFESSES DISINTEREST IN PRESIDENCY

PA012141 San Salvador DIARIO LATINO in Spanish 29 Nov 82 pp 5, 15

[Text] Gen Jose Guillermo Garcia, minister of defense and public security, assured Cuban journalist Luis Manuel Martinez that at the moment he is not thinking of being a presidential candidate in 1984. Martinez, who works for the Venezuelan magazine ENFOQUE, asked the minister if he would like to be a presidential candidate after retiring from the military. The general told him that at the time of the interview he was not thinking of any such thing.

Martinez has been conducting a number of interviews in our country and has already interviewed President Alvaro Magana. One of the topics the Salvadoran president discussed with Martinez was the dialogue proposed by the leftist extremist forces. President Magana emphatically said that there never will be dialogue with those forces and that the only road left for them to follow is that of the elections in order to fulfill their own aspirations to power.

President Magana also told him that as of December the Human Rights Commission agreed upon in the Apaneca Political Pact, will be functioning. Magana also told him that the constitution of the republic must be completed by March 1983 at the latest and that the presidential elections should take place during the first months of 1984 -- all as part of the political plan accepted by the political parties participating in the Apaneca Pact.

ARMY FORCES CORDON OFF GUERRILLA-HELD AREAS

PA012255 San Salvador DIARIO LATINO in Spanish 30 Nov 82 pp 3, 14

[Excerpt] Army troops have established a large-scale military cordon in the northern part of La Union Department to contain any advance by subversive forces, according to an announcement made this morning by armed forces spokesmen. The spokesmen indicated that for the moment the army has only taken up positions in the area around the sites of conflict to prevent incursions by the insurgents.

The military spokesmen indicated that the antisubversive cordon is being staffed by personnel from military detachment No. 3, based in La Union, and is being reinforced by specialized counterinsurgency battalions, as well as by troops from the commando training center in San Francisco Gotera, which have been deployed along the Morazan-La Union border. The source said that it is still not known if any counterinsurgency operation will be carried out this week, but added that military reinforcements have continued to arrive in the area.

Meanwhile, it has been reported that hundreds of refugees have been arriving in Santa Rosa de Lima from the areas of fighting, primarily from the towns of Anamoros, Lislique, Nueva Esparta and Poloros as well as from cantons and hamlets in the areas under guerrilla control.

VENCEREMOS REPORTS WITHDRAWAL FROM LA UNION

PA012015 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 1 Dec 82

[Excerpts] Our national October 1979-1980 Heroes and Martyrs military campaign continues vigorously in the framework of great military victories with the broad participation of our militia throughout the nation. This national military campaign has resulted in great victories in the country's east -- in northern La Union Department -- where our people, as we have reported, together with their revolutionary army, seized the enemy positions of Lislique, Anamoros, Poloros, Nueva Esparta and Monteca. There was bitter fighting on the Santa Rosa de Lima-Anamoros route for the past 5 days. There, our revolutionary army faced for more than 5 days the best troops of the dictatorship. The enemy force included troops from the Atlacatl Battalion and the Belloso Battalion -- the gringo battalion.

As we have already reported, at 1200, on 29 November the General Command of the Francisco Sanchez Northeastern Front, after it was established that there were no enemy forces in any of the towns in northern La Union Department, ordered our guerrilla columns to leave those positions and to move to new strategic objectives.

While our heroic fighters were withdrawing in an orderly manner from those La Union Department towns, in Los Mojones Canton our guerrillas faced Belloso and Atlacatl forces and inflicted new defeats on them. This delaying operation covered several kilometers on both sides of this strategic route, while our guerrilla columns withdrew from the towns in northern La Union Department in perfect order.

Our guerrilla columns withdrew with 109 rifles recovered from the regime as well as with much other war materiel. They captured many prisoners of war and destroyed an armored light tank sent to the La Union Garrison as reinforcement. This has been a new popular victory. The people are advancing and the enemy is retreating. Our people have won in La Union.

Havana on FMLN Withdrawal

PA012016 Havana International Service in Spanish 0000 GMT 1 Dec 82

[Text] Radio Venceremos, mouthpiece of the FMLN, reported on Tuesday that the main objectives of the guerrilla offensive in La Union have been accomplished and that the FMLN has ordered the guerrilla units occupying five towns in that department to withdraw. The towns that were occupied by the guerrillas are Lislique, Anamoros, Nueva Esparta, Poloros and Monteca. The radio station said that after 6 days of fighting in the area, the rebels inflicted 32 dead on the army, including a second lieutenant and a sergeant. The army also had many wounded and the rebels captured 47 prisoners of war.

Radio Veceremos reported that the rebels still hold their positions in a canton on the road from Santa Rosa de Lima to northern La Union Department. Radio Venceremos noted that yesterday there was bitter fighting in that region and that the regime's air force fired several rockets. On the 50th day of the October 1979-80 Heroes and Martyrs offensive, the FMLN has inflicted approximately 900 casualties on the army and has taken 239 prisoners. The FMLN has also seized 530 rifles and grenade launchers and shot down 2 helicopters and damaged a third. The FMLN guerrillas also damaged a U.S. [as heard] "Dragonfly" plane.

Havana Reports Further Details

PA020217 Havana International Service in Spanish 0000 GMT 2 Dec 82

[Text] Radio Venceremos, mouthpiece of the FMLN, announced that the FMLN forces which had occupied the towns of Lislique, Anamoros, Nueva Esparta, Poloros and Monteca in La Union Department have begun a tactical withdrawal. The station added that the main objectives of the guerrilla offensive had been accomplished. In the guerrilla offensive, the army sustained 32 dead, a high number of wounded and 47 prisoners. The rebel radio station also reported that extensive areas in eastern El Salvador are without electric power due to the guerrilla sabotage of high-tension wires and power substations in San Vicente Department where intense armed battles continue to be waged. Other battles between insurgents and the army occurred in areas of Cuscatlan, Usulutan, Chalatenango and Morazan Departments.

Since the beginning of the guerrilla offensive October 1979-80 Heroes and Martyrs campaign, the FMLN has inflicted 900 casualties on the Salvadoran Army. The FMLN has captured 239 prisoners of war and has seized more than 500 weapons of various calibers.

GUATEMALA

RIOS MONTT VISIT TO EL SALVADOR CONFIRMED

PA020240 Panama City ACAN in Spanish 0157 GMT 2 Dec 82

[Text] Guatemala, 1 Dec (ACAN-EFE) -- Guatemalan President Efrain Rios Montt will move his trip to Honduras up and will make a stopover in San Salvador to meet with his colleague Alvaro Magana, Gonzalo Asturias, government spokesman, announced here today. The meeting between the two presidents will take place prior to the separate meetings which both will have with U.S. President Ronald Reagan. Magana will meet with Reagan in San Jose, while Rios Montt will meet with Reagan in San Pedro Sula, Honduras.

General Rios Montt is scheduled to leave Guatemala for El Salvador tomorrow, Thursday, at 1400 (2000 GMT).

Foreign Minister Eduardo Castillo Arriola said that Rios Montt is returning Magana's 29 June visit. Castillo added that, among other topics, Rios Montt and Magana will discuss the creation of a political system to reactivate the Central American Common Market.

Rios Montt will leave San Salvador for San Pedro Sula with a small delegation including Castillo Arriola in addition to 40 Guatemalan correspondents. Rios Montt will be accompanied by Castillo Arriola, his foreign minister; Francisco Bianchi, his private secretary; Gonzalo Asturias, government spokesman; and several military officers.

According to Asturias, the president will deliver to Reagan documents regarding the military regime's intention to emerge from the isolation caused by the former authorities. "The president seeks the understanding of international opinion," Asturias said. He stressed that Rios Montt will not ask Reagan for any type of assistance. Rios Montt will give the U.S. President material including a lengthy documentary on the massacres before and after the 23 March coup d'etat which brought Rios Montt to power. The massacres have elicited criticism and denunciations by organizations which defend human rights. Reagan will also receive documents which the army seized from the Guatemalan guerrillas as well as copies of the "code of conduct of the Guatemalan soldier in operations, " somewhat of a bible which includes 12 moral commandments to be followed by military troops.

Regarding the possible topics to be broached, Asturias noted that Rios Montt will explain to Reagan "the energetic purge being applied in all the government organizations.

The Guatemalan president will also explain his plans for the political opening on 23 March 1983." On this date the government promised to enact laws on the existence of political parties and take steps toward convoking a national constituent assembly.

HONDURAS

PAZ BARNICA ON BORDER INCIDENT, REAGAN VISIT

PA021429 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 2 Dec 82

[Report by (Danilo Antunez)]

[Text] Foreign Minister Dr Edgardo Paz Barnica has confirmed that an armed incident occurred earlier this week on the border with Nicaragua, during which three Hondurans were injured. According to him, the Honduran Government has already lodged a protest.

[Begin recording] [Paz Barnica] We have already filed a protest, and we are now conducting the necessary investigations. We worded our protest as strongly as is demanded by such incidents, but courteously in diplomatic language, which the Nicaraguan Government has not been using. We trust that they will make the necessary changes and will also handle these matters appropriately.

[Question] What other details can you provide in connection with this incident?
[Answer] None.
[Question] When did it take place?
[Answer] About 3 or 4 days ago.
[Question] About the most recent incident, Mr Minister, how many people died? Were they civilians or soldiers?
[Answer] I cannot yet provide any details.

[Question] What is your opinion about the Nicaraguan Government's statements questioning the U.S. President's upcoming visit to Honduras and charging that he is coming to encourage aggression against Nicaragua?

[Answer] Well, that is the Nicaraguan Government's opinion. Our opinion -- and I feel this to be the international community's opinion -- is that President Reagan's visit, which is in response to President Suazo Cordova's visit to Washington in July, is an endorsement of the Honduran democratic process and represents full support for the struggle on behalf of peace that is being waged by President Suazo Cordova's constitutional and democratic government. The two presidents will also discuss bilateral and regional economic cooperation. [end recording]

FUP-25 ANNOUNCES ANTI-REAGAN DEMONSTRATIONS

PA021510 Managua Radio Sandino Network in Spanish 1200 GMT 2 Dec 82

[Text] Tegucigalpa -- The 25 July People's Unity Front, FUP-25, yesterday announced the opening of Honduran anti-imperialist week to repudiate President Reagan's presence in Honduras and the region. Teofilo Trejos, the FUP-25 general coordinator, said that demonstrations will be staged Saturday in San Pedro Sula and at the National Autonomous University in Tegucigalpa, among other activities. He stressed that members of agricultural, banana and other workers unions will participate in the demonstrations against Reagan's visit in San Pedro Sula and Ciudad Progreso. According to the announcements made by the Honduran Government, Reagan will meet Saturday with Honduran President Roberto Suazo Cordova and Guatemalan President Efrain Rios Montt.

SANTAMARIA MEETS WITH SOVIET VICE ADMIRAL

PA020250 Havana International Service in Spanish 0000 GMT 2 Dec 82

[Text] Vice Adm Aldo Santamaria, vice minister of the FAR and chief of the navy, has met in Havana with Soviet Vice Adm Vladimir Kruglyakov, first deputy commander of the Soviet Northern Fleet and heads the Soviet naval detachment that arrived in Havana on Wednesday to attend the festivities marking the 26th anniversary of the landing of the Granma and the day honoring the FAR. The Soviet vice admiral and his delegation visited the Havana Province People's Government Assembly where Vladimir Kruglyakov reiterated his country's willingness to help Cuba. He said that this is a sacred duty for Soviet seamen.

FOREIGN TRADE VICE MINISTER ARRIVES IN PERU

FL011654 Havana Domestic Service in Spanish 1500 GMT 1 Dec 82

[Text] Cuban Vice Minister of Foreign Trade German Amado-Blanco has arrived for an official 4-day visit in Lima, Peru. Amado-Blanco was met at the airport by his Peruvian counterpart Maria Jesus Hume. Hume, who visited Cuba this year, said that her country is interested in strengthening trade relations with Havana. Amado-Blanco was also met by other officials of the Peruvian Economy and Finance Ministry and the Cuban diplomatic mission in Lima. The Peruvian official disclosed that Cuba is going to provide technical assistance to Peru in the sugarmill industry. Amado-Blanco indicated that commercial agreements beneficial for the two countries will be signed during his visit.

CABRIZAS DISSATISFIED WITH GATT MEETING

FL011345 Havana Domestic Service in Spanish 1145 GMT 1 Dec 82

[Text] Cuban Foreign Trade Minister Ricardo Cabrizas has said that our country is not satisfied with the results of the GATT meeting held in Geneva. He added that this feeling is also shared by other countries.

Cabrizas explained that during the preparation process prior to the conference great effort was made to obtain results basically satisfying the aspirations of the developing countries and the just interests and positions of all the other parties. He indicated, however, that the well-balanced results obtained were diminished during the last days of the conference and that it was disappointing recognized the serious economic situation of the underdeveloped nations, these countries did not have the necessary political will to transfer their recognition into concrete actions.

Cabrizas said that Cuba had expressed dissatisfaction with the changes made in the text of the final declaration in relation to protectionism, agricultural trade, procedures for solving differences and matters related to services. Cabrizas added that the GATT declaration did not help to solve the serious trade problems such as the high tariffs on the import of products from underdeveloped countries, and government protectionism of and subsidies on export articles by the developed capitalist countries.

With regard to Cuba, the minister emphasized that the declaration did not help either to solve the serious problems the country is confronting in the normal development of its foreign trade, Cabrizas said that despite the fact that Cuba, in a constructive gesture, joined the other countries in the approval of the final declaration, it asked that its objections be included in the minutes of the conference.

DOMINICAN REPUBLIC

STUDENT-POLICE CLASHES CONTINUE IN SANTO DOMINGO

FL301427 Santo Domingo Radio Mil Network in Spanish 1000 MGT 30 Nov 82

[Excerpts] The police beat up and arrested an undetermined number of students during demonstrations in several schools of this capital yesterday morning. Students from the (Juan Carlos Capotillo), Argentina, Paraguay and other schools left their classes at 0830 to protest the death of student Nicolas Valerio, who was killed in the Santo Domingo state university last Friday. The police confronted the students in different parts of the city [words indistinct].

The secretary of education, Ivelisse Prats de Perez, expressed regret over the death of student Nicolas Valerio. She called on the students and the police to use other methods. Prats de Perez said that she agrees with the communication media that incidents of this nature must be prevented in the future. Student Nicolas Valerio died after being shot several times during a confrontation between university students and members of the Black Helmets police organization.

URUGUAY

OPPOSITION LEADER COMMENTS ON ELECTION RESULTS

PY011244 Paris AFP in Spanish 0414 GMT 1 Dec 82

[Text] Mexico, 30 Nov (AFP) -- In an interview for AFP, Wilson Ferreira Aldunate, leader of the group most voted for in last Sunday's elections, made a call here today to the Uruguayan opposition, which received overwhelming support, to establish its own plan for a return to democracy.

Ferreira, who belongs to the For the Fatherland Movement of the Blanco Party, and who is in Mexico on an invitation to attend the presidential inauguration of Miguel de la Madrid, stated that the celebrations staged in Uruguay in support of the winners were not in support of one of the candidates but a celebration of the country for the victory achieved by civilians.

The leader of the Blanco Party stated that the conclusion to be drawn is that if these elections were called in compliance with a timetable established by the military regime, we can say that the regime has come to an end, once and for all. He added that now the democratic forces will have to proceed with the maximum urgency to set their own timetable and to commit themselves to fulfill it as soon as possible. The opposition forces must set the immediate steps to be taken to restore public freedom in Uruguay so that the government and power will be relinquished in a short period to leaders elected by the people, Ferreira stated.

Ferreira feels that this is the moment for the national reconciliation of all Uruguayans and also for reconstruction.

The political leader, who has been proscribed but whose group received the most votes, stated that the victory obtained by the opposition was achieved amidst the greatest repression recorded in the country. He recalled that before the elections several party members were detained and put on trial, that several political groups were excluded from the process and that there are hundreds of political prisoners in jail.